

account or a reconciliation statement furnished.

(3) A statement to the effect that a sales listing of the value of all unmatched auditor coupons has been compiled and compared to the general ledger control figure; the statement required by this subparagraph shall indicate whether or not the value of the unmatched coupons is in agreement with the general ledger. If the sales listing is not in agreement with the Air Traffic Liability control account, the amount of such difference shall be shown on such statement.

[ER-948, 41 FR 12290, Mar. 25, 1976, as amended by ER-1401, 50 FR 238, Jan. 3, 1985. Redesignated at Amdt. 241-58, 54 FR 5592, Feb. 6, 1989; 60 FR 66725, Dec. 26, 1995]

BALANCE SHEET CLASSIFICATIONS

Section 3—Chart of Balance Sheet Accounts

[See footnotes at end of table]

Name of account	General classification	
	Operating	Nonoperating
Current assets:		
Cash	1010	
Short-term investments	1100	
Notes receivable	1200	
Accounts receivable	1270	
Allowance for uncollectible accounts	1290	
Spare parts and supplies	1300	
Allowance for obsolescence—Spare parts and supplies	1311	
Prepaid items	1410	
Other current assets	1420	
Investments and special funds:		
Investments in associated companies	1510	
Investments in investor controlled companies	1510.1	
Investments in other associated companies	1510.2	
Advances to associated companies	1510.3	
Other investments and receivables	1530	
Special funds	1550	
Property and equipment	1600–1700	
Airframes	1601	1701
Airframes	1601.1	1701.1
Unamortized airframe overhauls	1601.2	1701.2
Aircraft engines	1602	1702
Aircraft engines	1602.1	1702.1

[See footnotes at end of table]

Name of account	General classification	
	Operating	Nonoperating
Unamortized aircraft engine overhauls	1602.2	1702.2
Improvements to leased flight equipment	1607	1707
Flight equipment rotatable parts and assemblies	1608	1708
Airframe parts and assemblies	¹ 1608.1	¹ 1708.1
Aircraft engine parts and assemblies	¹ 1608.5	¹ 1708.5
Other parts and assemblies	¹ 1608.9	¹ 1708.9
Flight equipment	1609	1709
Allowance for depreciation:		
Airframes	1611	1711
Aircraft engines	1612	1712
Improvements to leased flight equipment	1617	1717
Flight equipment rotatable parts and assemblies	1618	1718
Flight equipment airworthiness allowance	² 1629	² 1729
Equipment	1630	1730
Furniture, fixtures and office equipment	1636	1736
Improvements to leased buildings and equipment	1639	1739
Buildings	1640	1740
Maintenance buildings and improvements	1640.1	1740.1
Other buildings and improvements	1640.9	1740.9
Ground property and equipment	1649	1749
Allowance for depreciation:		
Equipment	1650	1750
Improvements to leased buildings and equipment	1654	1754
Furniture, fixtures, and office equipment	1656	1756
Buildings	1660	1760
Maintenance buildings and improvements	1660.1	1760.1
Other buildings and improvements	1660.9	1760.9
Allowance for depreciation of flight equipment and ground property and equipment, and amortization of overhaul and airworthiness costs	1668	1768
Land	1679	1779
Equipment purchase deposits and advance payments	1685	1785
Construction work in progress	1689	1789
Leased property under capital leases	1695	1795
Capital leases—flight equipment	1695.1	1795.1
Capital leases—other property and equipment	1695.2	1795.2
Leased property under capital leases, accumulated amortization	1696	1796
Accumulated amortization—capitalized flight equipment	1696.1	1796.1

[See footnotes at end of table]

Name of account	General classification	
Accumulated amortization—capitalized other property and equipment	1696.2	1796.2
Property on operating-type lease to others and property held for lease		1797
Property on operating-type lease to others and property held for lease, accumulated depreciation		1798
Other assets:		
Long-term prepayments		1820
Unamortized developmental and preoperating costs		1830
Other assets and deferred charges		1890
Current liabilities:		
Current maturities of long-term debt		2000
Notes payable:		
Banks		2005
Other		2015
Trade accounts payable		2021
Accounts payable—other		2025
Current obligations under capital leases		2080
Accrued salaries, wages		2110
Accrued vacation liability		2120
Accrued interest		2125
Accrued taxes		2130
Dividends declared		2140
Air traffic liability		2160
Other current liabilities		2190
Noncurrent liabilities:		
Long-term debt		2210
Advances from associated companies		2240
Pension liability		2250
Noncurrent obligations under capital leases		2280
Other noncurrent liabilities		2290
Deferred credits:		
Deferred income taxes		2340
Deferred investment tax credits		2345
Other deferred credits		2390
Stockholders' equity:		
Preferred stock		2820
Common stock		2840
Additional capital invested		2890
Premium on capital stock		2890.1
Discount on capital stock		2890.2
Other capital stock transactions		2890.3
Retained earnings		2900
Subscribed and unissued stock	2860	
Treasury stock		2990

¹ Prescribed for group II and group III air carriers only.² At the option of the air carrier, these accounts may be assigned Nos. 2629 and 2729, respectively, for accounting purposes.

Note: Digits to right of decimals and italicized codes established for BTS control purposes only.

[ER-1401, 50 FR 239, Jan. 3, 1985, as amended by Amdt. 248-58, 54 FR 5592, Feb. 6, 1989; 60 FR 66723, Dec. 26, 1995]

Section 4—General

(a) The balance sheet accounts are designed to show the financial condition of the air carrier as at a given date, reflecting the asset and liability balances carried forward subsequent to the closing or constructive closing of the air carrier's books of account.

(b) The balance sheet accounts prescribed in this system of accounts for each air carrier group are set forth in Section 3, Chart of Balance Sheet Accounts. The balance sheet elements to be included in each account are presented in section 6.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by Amdt. 241-58, 54 FR 5592, Feb. 6, 1989]

Section 5—[Reserved]

Section 6—Objective Classification of Balance Sheet Elements

SOURCE: ER-980, 42 FR 29, Jan. 3, 1977, unless otherwise noted.

CURRENT ASSETS

1010 Cash.

(a) Record here all general and working funds available on demand as of the date of the balance sheet which are not formally restricted or earmarked for specific objectives. Funds deposited for special purposes which are to be satisfied within one year shall be included in account 1100 Short-term Investments and funds restricted as to general availability, which are not offset by current liabilities, shall be included in account 1550 Special Funds.

(b) Each air carrier shall subdivide this account in such manner that the balance can be readily segregated as between balances in United States currency and the balances in each foreign currency.

1100 Short-term Investments.

(a) Record here the cost of short-term investments such as special deposits and United States Government securities, any other temporary cash investments, and the allowance for unrealized gain or loss on current marketable equity securities.

(b) Special deposits for more than one year, not offset by current liabilities, shall not be included in this account but in account 1550 Special Funds.

(c) This account should be charged or credited for discount or premium on United States Government securities or other securities which should be amortized to profit and loss account 80 Interest Income.

1200 Notes Receivable.

(a) Record here current notes receivable including those from associated companies, company personnel, and all other sources.

(b) Balances of notes payable to associated companies shall not be offset against amounts carried in this account. Balances with associated companies which are not normally settled currently shall not be included in this account but in balance sheet account 1510.3 Advances to Associated Companies.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1401, 50 FR 241, Jan. 3, 1985]

1270 Accounts Receivable.

(a) Record here current accounts receivable including those due from the United States Government, foreign governments, associated companies, company personnel, and other amounts due for the performance of air transportation.

(b) Amounts due from the United States Government shall be maintained in such fashion as will clearly and separately identify service mail pay receivables, subsidy receivables and other than mail transportation receivables.

(c) Amounts due for the performance of air transportation shall include gross amounts due whether settled through airline clearing houses or with individual carriers. Amounts payable collected as agent shall not be credited to this account, but should be included in account 2190 Other Current Liabilities.

(d) Balances payable to associated companies shall not be offset against amounts carried in this account. Balances with associated companies which are not normally settled currently shall not be included in this account

but in balance sheet account 1510.3 Advances to Associated Companies.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1401, 50 FR 241, Jan. 3, 1985]

1290 Allowance for Uncollectible Accounts.

(a) Record here accruals for estimated losses from uncollectible accounts.

(b) All accounts against which allowances have been established shall be examined quarterly for the purpose of redetermining the basis of accruals to be applied to subsequent accounting periods and the reasonableness of allowances already provided.

1300 Spare parts and supplies.

(a) Record here the cost of:

(1) Flight equipment replacement parts of a type which ordinarily would be recurrently expended and replaced rather than repaired and reused;

(2) Unissued fuel inventories for use in the overall or system operations of the carrier. Adjustments of inventories for aircraft fuel due to retroactive price increases and decreases shall not be entered in this account but in profit and loss account 45, Aircraft Fuels and Oils; and

(3) Unissued and unapplied materials and supplies held in stock such as unissued shop materials, expendable tools, stationery and office supplies, passenger service supplies, and restaurant and food service supplies.

(b) Costs paid by the air carrier such as transportation charges and customs duties; excise, sales, use and other taxes; special insurance; and other charges applicable to the cost of spare parts and supplies shall be charged to this account when they can be definitely allocated to specific items or units of property. If such costs cannot be so allocated, or if of minor significance in relation to the cost of such property, such amounts may be charged to balance sheet account 1890 Other Assets and Deferred Charges and cleared either by a suitable "loading charge" as the parts are used or by current charges to appropriate expense or property accounts; so long as the method of application does not cause material distortion in operating expenses from one accounting period to another.

(c) Reusable spare parts and supplies recovered in connection with construction, maintenance, or retirement of property and equipment shall be included in this account at fair and reasonable values but in no case shall such values exceed original cost. Recoveries of normally reparable and reusable parts of a type for which losses in value may be covered on a practical basis through valuation allowance provisions shall be included in this account on an original cost basis. Scrap and non-usable parts, expensed from this account and recovered, shall be included at net amounts realizable therefrom with contra credit to the expense accounts initially charged.

(d) The cost of rotatable parts and assemblies of material value included in this account which ordinarily are repaired and reused and possess a service life approximating that of the primary property types to which related shall not be recorded in this account but in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies. For purposes of identifying rotatable parts and assemblies of insignificant unit value which may be included in this account, a reasonable maximum unit value limitation may be established.

(e) Any losses sustained or gains realized upon the abandonment or other disposition of flight equipment expendable parts shall be taken up as capital gains or losses in the periods in which sustained or realized. (See balance sheet account 1311.)

(f) Items in this account shall be charged to appropriate expense accounts as issued for use. Profit and loss on sales of inventory items as a routine service to others shall be included in profit and loss accounts 14 General Service Sales—Associated Companies, or 16 General Service Sales—Outside, and the parts sold shall be removed from this accounts at full cost.

(g) Materials and supplies held in small supply and purchased currently may be charged to appropriate expense accounts when purchased.

(h) An allowance for inventory adjustment applicable to materials and supplies is prohibited. Items in this account shall be charged to appropriate expense accounts as issued for use.

(i) Subaccounts shall be established within this account for the separate recording of each class or type of spare parts and supplies.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1401, 50 FR 241, Jan. 3, 1985]

1311 Allowance for Obsolescence—Spare Parts and Supplies.

(a) Accruals shall be made to this account when allowances are established for losses in the value of expendable parts. The accruals to this account shall be made by charges to profit and loss account 73 Provisions for Obsolescence and Deterioration—Expendable Parts. Records shall be maintained with sufficient detail to permit association of the allowances with each class or type of expendable parts.

(b) The accruals to this account shall be based upon a predetermination by the air carrier of that portion of the total inventory of each class and type of expendable parts against which an allowance for loss is to be accrued. Expendable parts issued for use in operations shall be charged to operating expenses as issued and shall not be charged to this account. If at the end of any calendar year the amount of the allowance exceeds the product of the applicable inventory for the year determined consistently on a year-end or average basis, and the sum of the standard percentage accrual rates for all prior years including the current, the allowance shall be adjusted downward by the amount of the excess. Such adjustments shall be charged to this account and credited to profit and loss account 73 Provisions for Obsolescence and Deterioration—Expendable Parts.

(c) Where changing conditions necessitate a revision or adjustment in rates of accrual, such revision or adjustment shall be made applicable to current and subsequent accounting periods and shall not be applied retroactively to prior accounting periods. Following retirement of airframe or aircraft engine types to which related, any balance remaining in this account shall be offset against related balances carried in balance sheet account 1300 Spare Parts and Supplies and the net cleared to profit and loss accounts 88.5 Capital Gains and Losses—Operating Property

or 88.6 Capital Gains and Losses—Other.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1401, 50 FR 241, Jan. 3, 1985]

1410 Prepaid Items.

Record here prepayments of obligations which if not paid in advance would require the expenditure of working capital within one year, such as prepaid rent, insurance, taxes, interest, etc. Unexpired insurance and miscellaneous prepayments applicable to periods extending beyond one year where significant in amount shall be charged to balance sheet account 1820 Long-Term Prepayments.

1420 Other Current Assets.

Record here current assets not provided for in balance sheet accounts 1010 to 1410, inclusive.

INVESTMENTS AND SPECIAL FUNDS

1510 Investments in Associated Companies.

(a) Record here net investments in associated companies.

(b) [Reserved]

(c) This account shall be subdivided by all air carrier groups as follows:

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1027, 42 FR 60128, Nov. 25, 1977; ER-1188, 45 FR 48870, July 22, 1980]

1510.1 Investments in Investor Controlled Companies.

Record here the cost of investments in investor controlled companies except that permanent impairment in the value of securities may be reflected through charges to profit and loss classification 8100, Nonoperating Income or Expense—Net. This account shall also include the equity in undistributed earnings or losses since acquisition. In the event dividends are declared by such companies, the air carrier shall credit this account for its share in dividends declared and debit balance sheet account 1270 Accounts Receivable. This account shall separately state: (a) The cost of such investments at date of acquisition and (b) the equity in undistributed earnings or losses since acquisition.

[Amdt. 241-58, 54 FR 5592, Feb. 6, 1989]

1510.2 Investments in Other Associated Companies.

Record here the cost of investments in associated companies other than investor controlled companies. Cost shall represent the amount paid at the date of acquisition without regard to subsequent changes in the net assets through earnings or losses of such associated companies. However, permanent impairment in the value of securities may be reflected through charges to profit and loss classification 8100, Nonoperating Income or Expense—Net.

[Amdt. 241-58, 54 FR 5592, Feb. 6, 1989]

1510.3 Advances to Associated Companies.

(a) Record here advances, loans, and other amounts not settled currently with investor controlled and other associated companies and nontransport divisions. Balances receivable from and payable to different associated companies and different nontransport divisions shall not be offset.

(b) In the case of nontransport divisions three subaccounts shall be maintained: (1) Net investment; (2) current net profit or loss; and (3) current accounts receivable or payable between the air carrier and the nontransport division.

(c) Each nontransport division shall be accounted for separately in net amounts receivable which shall be included in this account or net amounts payable which shall be included in balance sheet account 2240 Advances from Associated Companies.

[ER-980, 42 FR 29, Jan. 3, 1977. Redesignated by ER-1401, 50 FR 241, Jan. 3, 1985]

1530 Other Investments and Receivables.

Record here notes and accounts receivable not due within one year, investments in securities issued by others, investments in leveraged leases, the noncurrent net investment in direct financing and sales-type leases, and the allowance for unrealized gain or loss on noncurrent marketable equity securities. Securities held as temporary cash investments shall not be included in this account but in balance sheet account 1100 Short-Term Investments. Investments in and receivables

from associated companies which are not settled currently shall be included in balance sheet account 1510 Investments in Associated Companies.

[Amdt. 241–58, 54 FR 5592, Feb. 6, 1989]

1550 Special Funds.

Record here special funds not of a current nature and restricted as to general availability. Include items such as sinking funds, cash and securities posted with courts of law, employee's funds for purchase of capital stock, pension funds under the control of the air carrier and equipment purchase funds.

OPERATING PROPERTY AND EQUIPMENT

“Operating Property and Equipment” shall encompass items used in air transportation services and services related thereto.

1601 Airframes.

(a) Record here the total cost to the air carrier of airframes of all types and classes together with the full complement of instruments, appurtenances and fixtures comprising complete airframes including accessories necessary to the installation of engines and flight control and transmission systems, except as specifically provided otherwise in accounts 1602 and 1607. Also record here in separate subaccounts the costs of airframes overhauls accounted for on a deferral and amortization basis.

(b) Airframes designed to permit multiple payload configurations shall be recorded in this account at the total cost of the maximum complement of instruments, appurtenances, and fixtures used in the air carrier's operations.

(c) This account shall be subdivided as follows by all air carriers:

[ER–980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241–58, 54 FR 5593, Feb. 6, 1989]

1601.1 Airframes.

1601.2 Unamortized Airframe Overhauls.

1602 Aircraft Engines.

(a) Record here the total cost to the air carrier of complete units of aircraft engines of all types and classes together with a full complement of accessories, appurtenances, parts and fixtures comprising fully assembled en-

gines as delivered by the engine manufacturer ready for operation in test but without the accessories necessary to its installation in airframes. Also record here in separate subaccounts the costs of aircraft engine overhauls accounted for on a deferral and amortization basis.

(b) This account shall be subdivided as follows by all air carriers:

[ER–980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241–58, 54 FR 5593, Feb. 6, 1989]

1602.1 Aircraft Engines.

1602.2 Unamortized Aircraft Engine Overhauls.

1607 Improvements to Leased Flight Equipment.

Record here the total cost incurred by the air carrier for modification, conversion or other improvements to leased flight equipment. Also record here, in separate subaccounts, the costs of airframe and aircraft engine overhauls of leased aircraft accounted for on a deferral and amortization basis.

[Amdt. 241–58, 54 FR 5593, Feb. 6, 1989]

1608 Flight Equipment Rotable Parts and Assemblies.

(a) Record here the total cost to the air carrier of all spare instruments, parts, appurtenances and subassemblies related to the primary components of flight equipment units provided for in balance sheet accounts 1601 through 1607, inclusive. This account shall include all parts and assemblies of material value which are rotatable in nature, are generally reserviced or repaired, are used repeatedly and possess a service life approximating that of the property type to which they relate. Items of an expendable nature which generally may not be repaired and reused, shall not be recorded in this account but in account 1300 Spare Parts and Supplies. Except for recurrent service sales, flight equipment parts recorded in this account shall not be charged to operating expenses as retired. Profit or loss on sales of parts as a routine service to others shall be included in profit and loss account 14 General Service Sales, and parts sold shall be removed from this account at full cost irrespective of any allowance

for depreciation which has been provided.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5593, Feb. 6, 1989]

1608.1 Airframe Parts and Assemblies.

1608.5 Aircraft Engine Parts and Assemblies.

1608.9 Other Parts and Assemblies.

1609 Flight Equipment.

This classification is established only for purposes of control by the BTS and shall reflect the total cost of property and equipment of all types and classes used in the in-flight operations of aircraft.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended at 60 FR 66723, Dec. 26, 1995]

1629 Flight Equipment Airworthiness Allowances.

(a) Record here accumulated provisions for overhauls of flight equipment.

(b) Separate subaccounts shall be established for recording accumulated provisions related to each type of airframe and aircraft engine, respectively.

NOTE: At the option of the air carrier, the number "2629" may be assigned to this account for accounting purposes. However, for purposes of reporting on BTS Form 41, the balance in this account shall be reported under account "1629."

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5593, Feb. 6, 1989; 60 FR 66723, Dec. 26, 1995]

1630 Equipment.

Record here the total cost to the air carrier of ground equipment to include the following:

(a) Equipment assigned to aircraft or active line operations as opposed to items held in stock for servicing passengers such as broilers, bottleware, dishes, food boxes, thermos jugs, blankets, first aid kits, etc. Spare items shall be carried in balance sheet account 1300 Spare Parts and Supplies and shall be charged directly to expense upon withdrawal from stock for replacing original complements.

(b) Equipment used in restaurants and kitchens.

(c) Equipment of all types and classes used in enplaning and handling traffic

and in handling aircraft while on ramps, including motorized vehicles used in ramp service. Classes of equipment used interchangeably between handling aircraft on ramps and in maintaining aircraft may be classified in accordance with normal predominant use.

(d) Nonairborne equipment of all types and classes used in meteorological and communication services which is not a part of buildings.

(e) Equipment of all types and classes including motorized vehicles used in engineering and drafting services and in maintaining, overhauling, repairing and testing other classes of property and equipment.

(f) Property and equipment of all types and classes used in ground and marine transportation services.

(g) Property and equipment of all types and classes used in storing and distributing fuel, oil and water, such as fueling trucks, tanks, pipelines, etc.

(h) All other ground equipment of all types and classes such as medical, photographic, employees' training equipment, and airport and airway lighting equipment.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5593, Feb. 6, 1989]

1636 Furniture, Fixtures, and Office Equipment.

Record here the total cost to the air carrier of furniture, fixtures and office equipment of all types and classes wherever used or located.

[Amdt. 241-58, 54 FR 5593, Feb. 6, 1989]

1639 Improvements to Leased Buildings and Equipment.

Record here the total cost to the air carrier incurred in connection with modification, conversion, or other improvements to leased buildings and equipment.

1640 Buildings.

Record here the total cost to the air carrier of owned buildings, structures and equipment and related improvements. Each air carrier shall maintain the following subaccounts in which the values fairly assignable to maintenance and other operations shall be separately recorded:

1640.9 Other Buildings and Improvements.
1640.1 Maintenance Buildings and Improvements.

[Amdt. 241–58, 54 FR 5593, Feb. 6, 1989]

1649 Ground Property and Equipment.

This classification is established only for purposes of control by the BTS and shall reflect the total cost of property and equipment of all types and classes other than flight equipment, equipment purchase deposits and advance payments, land, and work in progress.

[ER–980, 42 FR 29, Jan. 3, 1977, as amended at 60 FR 66723, Dec. 26, 1995]

1668 Allowance for Depreciation of Flight Equipment and Ground Property and Equipment and Amortization of Overhaul and Airworthiness Costs.

(a) Record in accounts 1611 and 1618, inclusive, and 1650 through 1660, inclusive, accruals for depreciation of flight equipment and ground property and equipment.

(b) As set forth in section 3, Chart of Balance Sheet Accounts, separate accounts shall be established for depreciation allowances to parallel balance sheet accounts 1601 through 1608 established for recording the cost of flight equipment and accounts 1630 through 1640 established for recording the cost of ground property and equipment.

(c) This account shall be used as a control account and shall reflect the total amounts recorded in balance sheet accounts 1611 through 1618 and 1650 through 1660 in addition to account 1629 Flight Equipment Airworthiness Allowance.

1679 Land.

Record here the initial cost and the cost of improving land.

[Amdt. 241–58, 54 FR 5593, Feb. 6, 1989]

1685 Equipment Purchase Deposits and Advance Payments.

Record here the amount of purchase deposits and advance payments made to acquire operating property and equipment under outstanding purchase commitments. Funds set aside but not deposited or used as advance payments should not be included in this account but in Account 1550 Special Funds.

1689 Construction Work in Progress.

(a) Record here all direct and indirect costs of the air carrier that are expended for constructing and readying property and equipment of all types and classes for installation in operations. The amount reported shall reflect all such expenses that are accumulated to the balance sheet date. Where properly includable in the property and equipment classification, record here also the accumulated costs for uncompleted overhauls of airframes, aircraft engines, or other material units of property.

(b) At the option of the air carrier this account may be used as a clearing account for recording the cost of property and equipment acquisitions prior to a distribution thereof to the appropriate property accounts, whether or not conditioning or modification is necessary before placing in service.

[ER–980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241–58, 54 FR 5594, Feb. 6, 1989]

1695 Leased Property Under Capital Leases.

(a) Record here the total costs to the air carrier for all property obtained under capital leases.

(b) This account shall be subdivided by all air carrier groups as follows:

1695.1 Capital Leases—Flight Equipment.

1696.2 Capital Leases—Other Property and Equipment.

[ER–1401, 50 FR 241, Jan. 3, 1985, as amended by Amdt. 241–58, 54 FR 5594, Feb. 6, 1989]

1696 Leased Property Under Capital Leases—Accumulated Amortization.

(a) Record here accruals for amortization of leased property obtained under capital leases.

(b) This account shall be subdivided by all air carrier groups as follows:

1696.1 Accumulated Amortization—Capitalized Flight Equipment.

1696.2 Accumulated Amortization—Capitalized Other Property and Equipment.

[ER–1401, 50 FR 241, Jan. 3, 1985, as amended by Amdt. 241–58, 54 FR 5594,]

NON-OPERATING PROPERTY AND
EQUIPMENT

“Nonoperating Property and Equipment” includes investments in property and equipment not separately accounted for within a nontransport division but assigned to other than air transportation and transport-related services, and property and equipment held for future use.

1700 Non-operating Property and Equipment.

The total cost to the air carrier of nonoperating property and equipment and related allowances for depreciation shall be recorded in balance sheet accounts 1701 through 1796 which, as set forth in section 3, Chart of Balance Sheet Accounts, parallel balance sheet accounts 1601 through 1689, for recording the cost of operating property and equipment. In addition to these accounts, Account 1797 has been established for recording the cost of property on operating-type leases to others and property held for lease; any accumulated depreciation applicable to the assets contained in Account 1797 shall be recorded in Account 1798.

[ER-1013, 42 FR 37515, July 21, 1977]

1797 Property on Operating-type Lease to Others and Property Held for Lease.

Record here the total cost to the air carrier of property on operating-type lease to others and property held for lease.

[Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

1798 Property on Operating-type Lease to Others and Property Held for Lease—Accumulated Depreciation.

Record here accruals for depreciation of property on operating-type leases to others and property held for lease.

[Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

OTHER ASSETS

1820 Long-Term Prepayments.

Record here prepayments of obligations applicable to periods extending beyond one year such as payments on leased property and equipment and

other payments and advances for rents, rights, or other privileges.

1830 Unamortized Developmental and Preoperating Costs.

(a) Record here costs accumulated and deferred by the air carrier pertaining to the development of new routes or extension of existing routes, preparation for operation of new routes subsequent to certification by the DOT, the integration of new types of aircraft or services, and other preparations for substantial alterations in operational characteristics.

(b) Costs chargeable to this account shall include items directly related to each specific developmental or preoperating project, such as travel and incidental expenses, legal expenses, flight crew training expenses, and regulatory proceedings expenses. Expenses which would be otherwise incurred in the normal air transport operations conducted by the air carrier during the current accounting period shall not be allocated to developmental or preoperating projects and charged to this account. Nor shall this account be credited for revenues from aircraft flights of a developmental or preoperating character the operating costs of which are charged to this account. Any such revenues shall be included in the profit and loss account for the respective type of revenue. This account shall include charges for only those costs associated with projects directed at obtaining new operating authority or expanding the physical capacity of the air carrier and shall not include costs incurred for the purpose of generating revenues through rate adjustment. Accordingly, costs associated with regulatory proceedings involving route awards or amendments, whether successful or unsuccessful to the carrier, shall be included in this account whereas costs associated with regulatory proceedings involving rate or other revenue generation matters shall be charged to appropriate expense accounts.

(c) Records shall be established for new routes or extensions of existing routes to record separately: (1) Costs incurred in acquiring or applying for the routes, including all costs incurred prior to certification by the DOT and

inauguration of service by the air carrier, and (2) costs incurred after revenue operations begin over the new routes or extensions.

(d) Subclassifications shall be established to record for each developmental project the period covered and the purpose of each item of expense. Each air carrier shall classify the costs of all projects included in this account between: (1) Those related and contributing to the normal air transportation services currently conducted by the air carrier; (2) those related to services conducted by the air carrier which are extraneous to or are not otherwise related to the air transportation services currently conducted; and (3) those held in suspense pending status determination in terms of possible contribution to the air transportation services and inauguration of the service or operation to which related.

(e) Amounts included in this account which contribute to or protect the position of the normal air transportation services currently conducted by the carrier shall be amortized to profit and loss account 74 Amortization, unless otherwise approved or directed by the DOT. Other amounts included in this account shall be amortized or charged to profit and loss account 89.9 Other Miscellaneous Nonoperating Debits.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended at 60 FR 66723, Dec. 26, 1995]

1890 Other Assets and Deferred Charges.

(a) Record here other assets and deferred charges not provided for elsewhere.

(b) Record here debits, the proper final disposition of which cannot be determined until additional information has been received. This account shall include the accumulated cost of labor, materials and outside services used in the process of manufacturing flight equipment expendable parts and materials and supplies for stock, the accumulated cost of jobs in process for others, projects to be charged to expense upon completion. This account shall also include unamortized debt expense, property acquisition adjustments and intangible assets.

(c) This account shall be charged with property loss and other costs re-

lated to casualties and credited with recoveries from purchased insurance and salvage. A debit or credit balance in this account related to property retired as a result of a casualty shall be recorded in profit and loss account 88.5 Capital Gains and Losses—Operating Property or 88.6 Capital Gains and Losses—Other; however, any balances related to property not retired or to other casualties shall be recorded in profit and loss account 58 Injuries, Loss and Damage. Proceeds from purchased insurance for property damage, received prior to repair of such damage, shall not be credited to this account but to balance sheet account 2390 Other Deferred Credits pending repair. The records for each major casualty shall be kept in such manner as to clearly disclose insurance recoveries and the total costs, which shall include charges for the depreciated cost of property damaged or destroyed, costs for clearing wrecks and damaged property and equipment, including salaries and wages for the repair thereof, and payments for damages to property of others. The cost of casualties shall not be charged directly against retained earnings or appropriations thereof, but shall be cleared through the applicable profit and loss accounts in accordance with the foregoing.

(d) Record here the unamortized debt expense related to the assumption by the air carrier of debt of all types and classes. Amounts recorded shall be amortized to profit and loss account 84 Amortization of Debt Discount, Premium and Expense.

(e) Unamortized debt expense shall not include the excess of the par value of debt securities over the cash value of consideration received. Instead, discounts shall be recorded in a sub-account of the related liability.

(f) Record here the cost of patents, copyrights and other intangible properties, rights and privileges acquired as a part of a business from other air carriers and other intangibles not provided for elsewhere. This account shall be subdivided to reflect the nature of each intangible asset included in this account.

(g) Record here the difference between the purchase price to the air carrier of property and equipment acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the DOT, and the depreciated cost to the predecessor company at date of acquisition. Record here also such differences relating to purchases of property and equipment from associated companies unless other treatment is approved by the BTS. Separate subaccounts shall be established to record the amounts applicable to each such acquisition.

(h) Balances in this account relating to property acquisition adjustments shall be amortized by charges to profit and loss account 89.9 Other Miscellaneous Nonoperating Debits unless otherwise directed or approved by the BTS.

[ER-1401, 50 FR 242, Jan. 3, 1985, as amended at 60 FR 66723, Dec. 26, 1995]

CURRENT LIABILITIES

2000 Current Maturities of Long-term Debt.

Record here the face value or principal amount of debt securities issued or assumed by the air carrier which is payable within 12 months of the balance sheet date unless such debt is to refinance, or where payment is to be made from assets of a type not properly classifiable as current.

2005 Notes Payable—Banks.

Record here the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness payable on demand or within one year to a bank or another financial institution with the exception of current maturities of long-term debt which should be included in account 2000.

2015 Notes Payable—Other.

Record here the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness payable on demand or within one year to an associated company or party other than a financial institution.

2021 Trade Accounts Payable.

Record here all accounts payable within one year which accrued from generally recognized trade practices.

2025 Accounts Payable—Other.

Record here all accounts payable within one year which are not provided for in accounts 2000 to 2021, inclusive.

2080 Current Obligations Under Capital Leases.

Record here the total current liability applicable to property obtained under capital leases.

[ER-1013, 42 FR 37515, July 21, 1977; 42 FR 38555, July 29, 1977; Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

2110 Accrued Salaries, Wages.

Record here amounts accrued for unpaid compensation to personnel, which have been charged to profit and loss or capitalized, as compensation for the period in which accrued.

2120 Accrued Vacation Liability.

(a) Record here accruals of liabilities for personnel vacations. All vacation policies, plans, or agreements whether oral or written shall be accounted for on an accrual basis whenever a lag exists between vacations earned and vacations taken, thereby resulting in a liability against the carrier under the applicable policy, plan or agreement.

(b) This account shall be credited and the applicable personnel compensation expense account concurrently charged with the cost of any lag between vacations accrued and vacations taken. Accruals may be based upon standard rates of lag, if such standard rates are verified by physical inventory and adjusted accordingly at least once each calendar year. Adjustments of balances in this account shall be cleared to applicable compensation expense accounts.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1027, 42 FR 60128, Nov. 25, 1977; ER-1188, 45 FR 48870, July 22, 1980; Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

2125 Accrued Interest.

Record here interest payable within one year for all outstanding obligations.

2130 Accrued Taxes.

(a) Record here accruals for currently payable income and other forms of taxes which constitute a charge borne by the air carrier as opposed to those collected as an agent for others.

(b) Each air carrier shall disclose in the footnotes of its BTS Form 41 for each calendar quarter whether utilized credits are accounted for by the flow-through method or the deferred method. The method selected shall be consistently followed by the carrier.

[Amdt. 241–58, 54 FR 5594, Feb. 6, 1989, as amended at 60 FR 66723, Dec. 26, 1995]

2140 Dividends Declared.

Record here in separate subdivisions for each class and series of capital stock, all dividends declared but unpaid on capital stock.

2160 Air Traffic Liability.

(a) Record here balances representing the value of unused transportation sold. Transportation sold includes both sales for transportation to be provided by the air carrier and transportation to be provided by another air carrier.

(b) Earned revenue, determined by the yield or average fare method or by the sales-lift-match method, shall be consistently and periodically cleared by debit to this account, and by credit to the appropriate profit and loss revenue account. Amounts receivable for transportation to be provided by the air carrier shall be debited to balance sheet account 1270 Accounts Receivable.

(c) Carriers who determine earned revenue on a yield or average fare method may not accrue income during the accounting year in anticipation of a favorable annual physical inventory determination, nor for unused or unrepresented tickets.

(d) Subaccounts to this account shall be established to record balances pertaining to passenger and cargo transportation sold, respectively, and separately to sales in scheduled and non-scheduled services.

[ER–980, 42 FR 29, Jan. 3, 1977, as amended by ER–1401, 50 FR 242, Jan. 3, 1985]

2190 Other Current Liabilities.

Record here current and accrued liabilities, including amounts payable collected as an agent, not provided for in accounts 2110 to 2160, inclusive.

NON-CURRENT LIABILITIES**2210 Long-Term Debt.**

(a) Record here the face value of principal amount of debt securities issued or assumed by the air carrier and held by other than associated companies, which has not been retired or cancelled and is not payable within 12 months of the balance sheet date.

(b) In cases where debt coming due within 12 months is to be refunded, or where payment is to be made from assets of a type not properly classifiable as current, the amount payable shall not be removed from this account. In addition, this account shall include short-term debt obligations when both the intent to refinance the short-term obligations on a long-term basis is established and the ability to consummate this refinancing can be demonstrated.

[Amdt. 241–58, 54 FR 5594, Feb. 6, 1989]

2240 Advances from Associated Companies.

Record here net amounts due associated companies and nontransport divisions for notes, loans and advances which are not settled currently. Balances payable to and receivable from different associated companies shall not be offset.

2250 Pension Liability.

Record here the liability of the air carrier under employee pension plans, to which either or both employees and the air carrier contribute, if the plan is administered by the air carrier.

2280 Noncurrent Obligations under Capital Leases.

Record here the total noncurrent liability applicable to property obtained under capital leases.

[ER–1013, 42 FR 37515, July 21, 1977, as amended by Amdt. 241–58, 54 FR 5594, Feb. 6, 1989]

2290 Other Noncurrent Liabilities.

Record here noncurrent liabilities not provided for in balance sheet accounts 2210 to 2280, inclusive, such as the liability for installments received on capital stock from company personnel who are not bound by legally enforceable subscription contracts, accruals for personnel dismissal liability, and accruals of other demonstrable miscellaneous noncurrent liabilities.

[ER-1401, 50 FR 242, Jan. 3, 1985]

DEFERRED CREDITS

2340 Deferred Income Taxes.

Record here credits and debits representing the net tax effect of material timing differences originating and reversing in the current accounting period, giving appropriate recognition to the portion of investment tax credits which would have been allowed if taxes were based on pretax accounting income by a reduction of the deferred tax provision.

[Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

2345 Deferred Investment Tax Credits.

Record here investment tax credits utilized as reduction of tax liabilities, when the carrier exercises the option to defer such credits for amortization over the service life of the related equipment.

[Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

2390 Other Deferred Credits.

Record here credits, not provided for elsewhere, the proper final disposition of which cannot be effected until additional information has been received.

STOCKHOLDERS' EQUITY

2820 Preferred Stock.

Record here in separate subdivisions for each class and series, the par or stated value of preferred capital stock issued or in the case of no-par stock without stated value, the full consideration received.

2840 Common Stock.

Record here in separate subdivisions for each class and series, the par or stated value of common stock issued or

in case of no-par stock without stated value, the full consideration received.

2860 Subscribed and Unissued Stock.

Record here in separate subdivisions for each class and series, the par or stated value, or the subscription price in the case of stock without par or stated value, of legally enforceable subscriptions to the capital stock of the air carrier.

2890 Additional Capital Invested.

(a) Record herein separate subdivisions for each class and series, the difference between the price at which capital stock is sold and the par or stated value of the stock; gains or losses arising from the reacquisition and the resale or retirement of each class and series of capital stock; donations; the excess of retained earnings capitalized over par or stated value of capital stock issued; adjustments in capital resulting from reorganization or recapitalization; and proceeds attributable to detachable stock purchase warrants related to debt issues. This account shall also include balances of contributions to the business enterprise of individual proprietors or partners.

(b) Each air carrier shall maintain the following subaccounts:

2890.1 Premium on capital stock. Record here in separate subdivisions for each class and series of capital stock issued the excess of the cash value of consideration received over the par or stated value and accrued dividends of stock issued together with assessments against stockholders representing payments required in excess of par or stated value.

2890.2 Discount on capital stock. Record here in separate subdivisions for each class and series of capital stock issued, the excess of the par or stated value over the cash value of consideration received, less accrued dividends. Discounts applicable to a particular class and series of capital stock may be offset against premiums from the same class and series of capital stock. Discounts and premiums on different classes and series of capital stock shall not be offset. The air carrier may, at its option, record in this subaccount commissions and expenses incurred in the issuance of capital stock and may charge balance sheet account 2900 Retained Earnings to the extent capital stock expense may exceed any existing balance of paid-in capital over the par or stated value of capital stock.

2890.3 Other Capital Stock Transactions. Record here in separate subdivisions for each class and series, the balance of credits arising from the reacquisition and resale or cancellation of capital stock, credits arising from a reduction in the par or stated value of capital stock or the net balance of credits or debits resulting from other paid-in capital transactions such as proceeds attributable to detachable stock purchase warrants related to debt issues, not provided for elsewhere, which is identified with a particular class and series of capital stock.

2900 Retained Earnings.

(a) Record here the net income or loss from operations of the air carrier and dividends declared on capital stock.

(b) This account shall not be charged with dividends on treasury stock. If a dividend is not payable in cash, the values entered in this account shall be completely described.

(c) Delayed credits or charges to income shall not be entered in this account directly but in appropriate profit and loss accounts.

(d) Net income or loss accounted for during the current fiscal year shall not be entered in this account until the close of the fiscal year. Individual pro-

prietorships or partnerships may clear net income or loss accounted for during the year directly to balance sheet account 2890 Additional Capital Invested, or optionally, to this account for subsequent transfer to balance sheet account 2890 Additional Capital Invested.

(e) A separate subaccount to this account shall be maintained to record changes in the valuation of marketable equity securities included in noncurrent assets. Such changes shall be reflected in this subaccount to the extent the balance in this subaccount represents a net unrealized loss as of the current balance sheet date.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by ER-1401, 50 FR 242, Jan. 3, 1985]

2990 Treasury Stock.

(a) Record here the cost of capital stock issued by the air carrier reacquired by it and not retired or canceled.

(b) Separate records shall be established for each class and series of capital stock held in this account.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

PROFIT AND LOSS CLASSIFICATION

Section 7—Chart of Profit and Loss Accounts

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING REVENUES AND EXPENSES			
Transport revenues:			
01 Passenger:			
01.1 Passenger—first class	31, 32	31, 32	31, 32.
01.2 Passenger—coach	31, 32	31, 32	31, 32.
05 Mail:			
05.1 Priority	31, 32	31, 32	31, 32.
05.2 Nonpriority	31, 32	31, 32	31, 32.
05.3 Foreign	31, 32	31, 32	31, 32.
06 Property:			
06.1 Freight	31, 32	31, 32	31, 32.
06.2 Excess passenger baggage	31, 32	31, 32	31, 32.
07 Charter:			
07.1 Passenger	32	32	32.
07.2 Property	32	32	32.
19 Air transport—other:			
19.1 Reservation cancellation fees	31, 32	31, 32	31, 32.
19.2 Miscellaneous operating revenues	31, 32	31, 32	31, 32.
08 Public service revenues (subsidy)	48	48	48.
Transport-related revenues and expenses:			
09 In-flight sales:			
09.1 Liquor and food—gross revenues	48	48	48.
09.2 Movies and stereo—gross revenues	48	48	48.

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
09.3 Other—gross revenues	48	48	48.
09.4 Liquor and food—depreciation expense	71	71	71.
09.5 Liquor and food—other expense	71	71	71.
09.6 Movies and stereo—depreciation expense	71	71	71.
09.7 Movies and stereo—other expense	71	71	71.
09.8 Other—depreciation expense	71	71	71.
09.9 Other—expense	71	71	71.
10 Restaurant and food service (ground):			
10.1 Gross revenues	48	48	48.
10.2 Depreciation expense	71	71	71.
10.3 Other expenses	71	71	71.
11 Rents:			
11.1 Gross revenues	48	48	48.
11.2 Depreciation expense	71	71	71.
11.3 Other expenses	71	71	71.
12 Limousine service:			
12.1 Gross revenues	48	48	48.
12.2 Depreciation expense	71	71	71.
12.3 Other expenses	71	71	71.
13 Interchange sales:			
13.1 Associated companies—gross revenues	48	48	48.
13.2 Outside—gross revenues	48	48	48.
13.3 Associated companies—depreciation expense	71	71	71.
13.4 Associated companies—other expense	71	71	71.
13.5 Outside—depreciation expense	71	71	71.
13.6 Outside—other expense	71	71	71.
14 General service sales:			
14.1 Associated companies—gross revenues	48	48	48.
14.2 Outside—gross revenues	48	48	48.
14.3 Associated companies—depreciation expense	71	71	71.
14.4 Associated companies—other expense	71	71	71.
14.5 Outside—depreciation expense	71	71	71.
14.6 Outside—other expense	71	71	71.
16 Substitute (replacement) service:			
16.1 Gross revenues	48	48	48.
16.2 Expense	71	71	71.
17 Air cargo service:			
17.1 Gross revenues	48	48	48.
17.2 Depreciation expense	71	71	71.
17.3 Other expense	71	71	71.
18 Other transport related items:			
18.1 Gross revenues	48	48	48.
18.2 Depreciation expense	71	71	71.
18.3 Other expense	71	71	71.
19 Other operating revenues:			
19.1 Reservations cancellation fees	31, 32	31, 32	31, 32.
19.9 Miscellaneous operating revenues	31, 32, 41	31, 32, 41	31, 32, 41.
Transport expenses:			
21 General management personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
23 Pilots and copilots	51	51	51.
24 Other flight personnel	51, 69	51, 55	51, 55.
25 Maintenance labor:			
25.1 Labor—airframes and other flight equipment .....	.....	52	52.
25.2 Labor—aircraft engines .....	.....	52	52.
25.6 Labor—flight equipment	52 .....	.....	.....
25.9 Labor—ground property and equipment	52, 53	52, 53	52, 53.
26 Aircraft and traffic handling personnel	69 .....	.....	.....
26.1 General aircraft and traffic handling personnel .....	.....	64, 67	61, 62, 63, 65.
26.2 Aircraft control personnel .....	.....	64	61.
26.3 Passenger handling personnel .....	.....	64, 67	62, 65.
26.4 Cargo handling personnel .....	.....	64, 67	62, 65.
28 Trainees, instructors and unallocated shop labor:			
28.1 Trainees and instructors	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
28.2 Unallocated shop labor	53	53	53.
30 Communications personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
31 Recordkeeping and statistical personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
32 Lawyers and law clerks	69	68	68.
33 Traffic solicitors	69	67	65.
34 Purchasing personnel	53, 69	53, 68	53, 68.
35 Other personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
36 Personnel expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
37 Communications purchased	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
38 Light, heat, power, and water	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
39 Traffic commissions	69 .....	.....	.....
39.1 Commissions—passenger .....	.....	67	65.
39.2 Commissions—property .....	.....	67	65.
40 Legal fees and expenses	69	68	68.
41 Professional and technical fees and expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
43 General services purchased:			
43.1 Airframe and other flight equipment repairs .....	.....	52	52
43.2 Aircraft engine repairs	52	52 .....	.....
43.6 Flight equipment repairs	52 .....	.....	.....
43.7 Aircraft interchange charges	51, 52	51, 52	51, 52
43.8 General interchange service charges	52, 69	52, 55, 64, 67, 68.	52, 55, 61, 62, 63, 65, 66, 68.
43.9 Other services	52, 53, 69	52, 53, 55, 64, 67, 68.	52, 53, 55, 61, 62, 63, 65, 66, 68.
44 Landing fees	69	64	61.
45 Aircraft fuels and oils	51 .....	.....	.....
45.1 Aircraft fuels .....	.....	51	51.
45.2 Aircraft oils .....	.....	51	51.
46 Maintenance materials:			
46.1 Airframes and other flight equipment .....	.....	52	52
46.2 Aircraft engines .....	.....	52	52.
46.6 Flight equipment	52 .....	.....	.....
46.9 Ground property and equipment	52, 53	52, 53	52, 53.
47 Rentals	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
49 Shop and servicing supplies	53, 69	53, 64	53, 61.
50 Stationery, printing, and office supplies	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
51 Passenger food expense	69	55	55.
53 Other supplies	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
54 Inventory adjustments	53, 69	53, 55	53, 55.
55 Insurance—general	51, 53, 69	51, 53, 68	51, 53, 68.
56 Insurance—traffic liability	69	55, 64	55, 62.
57 Employee benefits and pensions	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
58 Injuries, loss and damage	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
59 Schedules and timetables	69	67	65, 66.
60 Advertising	69	67	66.
61 Foreign exchange gains and losses	69	68	68.
62 Other promotional and publicity expenses	69	67	66.
63 Interrupted trips expense	69	55	55.
64 Memberships	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
65 Corporate and fiscal expenses	69	68	68.
66 Uncollectible accounts	69	68	68.
67 Clearance, customs and duties	69	64	61, 62.
68 Taxes—payroll	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
69 Taxes—other than payroll	51, 69	51, 68	51, 68.
71 Other expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
72 Aircraft overhauls	52, 53	52, 53	52, 53.
72.1 Airworthiness allowance provisions—airframes	52, 53	52, 53	52, 53.
72.3 Airframe overhauls deferred	52, 53	52, 53	52, 53.
72.6 Airworthiness allowance provisions—aircraft engines	52, 53	52, 53	52, 53.
72.8 Aircraft engine overhauls deferred	52, 53	52, 53	52, 53.
73 Provisions for obsolescence and deterioration—expendable parts:			
73.1 Current provisions	70	70	70.
73.2 Inventory decline credits	70	70	70.
74 Amortizations:			
74.1 Developmental and preoperating expenses	70	70	70.
74.2 Other intangibles	70	70	70.
75 Depreciation:			
75.1 Airframes	70	70	70.
75.2 Aircraft engines	70	70	70.
75.3 Airframe parts	70	70	70.
75.4 Aircraft engine parts	70	70	70.
75.5 Other flight equipment	70	70	70.
75.6 Flight equipment	70	70	70.
75.8 Maintenance equipment and hangars	70	70	70.
75.9 General ground property	70	70	70.
76 Amortization expense, capital leases:			
76.1 Amortization—capitalized flight equipment	70	70	70
76.2 Amortization—capitalized other property and equipment	70	70	70
77 Uncleared expense credits:			
77.8 Uncleared interchange expense credits	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
77.9 Other uncleared expense credits	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
78 Direct maintenance—flight equipment	52	52	52.
79 Applied burden Dr/Cr:			
79.6 Flight equipment	52 Dr, 53 Cr ..	52 Dr, 53 Cr ..	52 Dr, 53 Cr.
79.8 General ground property	52 Dr, 53 Cr ..	52 Dr, 53 Cr ..	52 Dr, 53 Cr.
NONOPERATING INCOME AND EXPENSE			
81 Interest on long-term debt and capital leases:			
81.1 Interest expense, long-term debt	81	81	81
81.2 Interest expense, capital leases	81	81	81
82 Other interest:			
82.1 Interest expense, short-term debt	81	81	81
83.1 Imputed interest capitalized—credit	81	81	81
83.2 Imputed interest deferred—debit	81	81	81
83.3 Imputed interest deferred—credit	81	81	81
83.4 Interest capitalized—credit	81	81	81
84.1 Amortization of discount and expense on debt	81	81	81
84.2 Amortization of premium on debt	81	81	81
85 Foreign exchange gains and losses	81	81	81
89 Other nonoperating income and expense-net:			
80.0 Interest income	81	81	81

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
86.0 Income from nontransport ventures	81	81	81
87.0 Equity in income of investor controlled companies	81	81	81
88.1 Intercompany transaction adjustment-credit	81	81	81
88.2 Dividend income	81	81	81
88.3 Net unrealized gain or loss on marketable equity securities	81	81	81
88.4 Net realized gain or loss on marketable equity securities	81	81	81
88.5 Capital gains and losses—operating property	81	81	81
88.6 Capital gains and losses—other	81	81	81
88.7 Unapplied cash discounts	81	81	81
88.9 Other miscellaneous nonoperating credits	81	81	81
89.1 Intercompany transaction adjustment—debit	81	81	81
89.9 Other miscellaneous nonoperating debits	81	81	81
INCOME TAXES			
91 Provision for income taxes:			
91.1 Income taxes before investment tax credits	91	91	91
91.2 Investment tax credits utilized	91	91	91
92 Provisions for deferred income taxes:			
92.1 Current provisions for deferred taxes	91	91	91
92.2 Application of deferred taxes	91	91	91
92.3 Adjustment of deferred taxes	91	91	91
93 Investment tax credits deferred and amortized:			
93.1 Investment tax credits deferred	91	91	91
93.2 Amortization of deferred investment tax credits	91	91	91
94 Excess profits taxes	91	91	91
DISCONTINUED OPERATIONS			
95 Discontinued operations:			
95.1 Income from discontinued operations	96	96	96
95.2 Loss on disposal of discontinued operations	96	96	96
EXTRAORDINARY ITEMS			
96 Extraordinary items	97	97	97
97 Income taxes applicable to extraordinary items	97	97	97
CHANGES IN ACCOUNTING PRINCIPLES			
98 Cumulative effects of change in accounting principles	98	98	98

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-781, 37 FR 25223, Nov. 29, 1972; 37 FR 28277, Dec. 22, 1972; ER-797, 38 FR 10926, May 3, 1973; ER-841, 39 FR 11995, Apr. 2, 1974; ER-948, 41 FR 12295, Mar. 25, 1976; ER-980, 42 FR 35, Jan. 3, 1977; ER-1013, 42 FR 37515, July 21, 1977; ER-1401, 50 FR 242, Jan. 3, 1985; Amdt. 241-56, 52 FR 9129, Mar. 23, 1987; Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

Section 8—General

(a) The profit and loss accounts are designed to reflect, through natural groupings, the elements entering into the derivation of income or loss accruing to the proprietary interests during each accounting period.

(b) The prescribed system of accounts provides for the co-ordinate grouping of all revenues and expenses in terms of both major natural objectives and functional activities and for subdivision of both to provide varying degrees

of detail for air carriers of differing accounting capacities and/or requirements.

(c) The detailed objective accounts established for each air carrier group, by the dual subdivision of profit and loss elements in terms of both natural objectives and functional activities, are set forth in section 7, Chart of Profit and Loss Accounts.

(d) The prescribed system of accounts provides generally that profit and loss

elements shall be grouped in accordance with their inherent characteristics within the following primary classifications:

(1) *Operating revenues.* (i) This primary classification shall include revenues of a character usually and ordinarily derived from the performance of air transportation and air transportation-related services, which relate to services performed during the current accounting year, and adjustments of a recurrent nature applicable to services performed in prior accounting years.

(ii) Operating revenues shall be subclassified in terms of functional activities as provided in section 9.

(2) *Operating expenses.* (i) This primary classification shall include expenses of a character usually and ordinarily incurred in the performance of air transportation and air transportation-related services, which relate to services performed during the current accounting year, and adjustments of a recurring nature attributable to services performed in prior accounting years.

(ii) Operating expenses shall be subclassified in terms of functional activities as provided in sections 10 and 11.

(3) *Nonoperating income and expense—net.* This primary classification (8100) shall include income and loss incident to commercial ventures not inherently related to the performance of the common carrier air transport services of the accounting entity; other revenues and expenses attributable to financing or other activities which are extraneous to and not an integral part of air transportation or its incidental services; and special recurrent items of a nonperiod nature.

(4) *Income taxes for current period.* This primary classification (9100) shall include provisions for Federal, state, local, and foreign taxes which are based upon the net income of the air carrier for the current period together with refunds for excess profits credits or carryback of losses and increases or reductions of income taxes of prior years of a magnitude which will not distort net income of the current accounting year. Income taxes applicable to special income credits or debits recorded in profit and loss classification 9700 Extraordinary Items, and other

material income tax items not allocable to income of the current accounting year, shall not be included in this classification but in profit and loss classification 9700 Extraordinary Items.

(5) *Discontinued operations.* This primary classification (9600) shall include earnings and losses of discontinued nontransport operations and gains or losses from the disposal of nontransport operations the result of which are customarily accounted for through profit and loss objective accounts 86, 87 and 88.2.

(6) *Extraordinary items.* This primary classification (9700) shall include material items characterized by their unusual nature and infrequent occurrence.

(7) *Cumulative effect of changes in accounting principles.* This primary classification (9800) shall include the cumulative effect of material changes in accounting principles.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-841, 39 FR 11997, Apr. 2, 1974; ER-980, 42 FR 36, Jan. 3, 1977, Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

Section 9—Functional Classification—Operating Revenues

3900 Transport Revenues.

This classification is prescribed for all air carrier groups and shall include all revenues from the air transportation of traffic of all classes. It shall consist of the following subclassifications:

3100 Scheduled Services.

This subclassification shall include revenues from the transportation by air of individual passengers or cargo shipments (as opposed to charter flights) pursuant to published schedules, including extra sections and other flights performed as an integral part of published flight schedules.

3200 Nonscheduled Services.

This subclassification shall include revenues from the transportation by air of traffic applicable to the performance of aircraft charters, and other air transportation services not part of services performed pursuant to published flight schedules (but shall not include data applicable to flights performed

as extra sections to published flight schedules, which shall be reported in the subclassification 3100 Scheduled Services).

[ER–755, 37 FR 19726, Sept. 21, 1972, as amended by ER–1401, 50 FR 243, Jan. 3, 1985]

4800 Transport-Related Revenues.

(a) This classification is prescribed for all air carrier groups and shall include all revenues from the United States Government as direct grants or aids for providing air transportation facilities and all revenues from services which grow from and are incidental to the air transportation services performed by the air carrier.

(b) Revenues related to services of a magnitude or scope beyond an incidental adjunct to air transportation services shall not be included in this classification (see section 1-6(b)). Revenues applicable to such services shall be included in profit and loss classification 8100, Nonoperating Income and Expense-Net, and the accounting modified to conform with that of a nontransport division whether or not the service is organized as a nontransport division.

[ER–841, 39 FR 11997, Apr. 2, 1974]

Section 10—Functional Classification—Operating Expenses of Group I Air Carriers

5100 Flying Operations.

(a) This function shall include expenses incurred directly in the in-flight operation of aircraft and expenses attaching to the holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status.

(b) This function shall not include expenses incurred in repairing, servicing or storing aircraft, expenses incurred on the ground in protecting and controlling the inflight movement of aircraft, or the compensation of ground personnel and other expenses incurred in scheduling or preparing aircraft or aircraft operational personnel for flight assignment. Such expenses shall be included in function 5400 Maintenance or function 6900 General Services and Administration.

5400 Maintenance.

(a) This function shall include all expenses, both direct and indirect, specifically identifiable with the repair and upkeep of property and equipment as may be required to meet operating and safety standards; in inspecting or checking property and equipment in accordance with prescribed operational standards; and in polishing or cleaning property and equipment when such polishing or cleaning is not an incidental routine in connection with the normal productive use of property and equipment.

(b) This function shall include the cost of direct labor, materials, and outside services and maintenances overhead or other costs specifically associated with maintenance operations regardless of the location at which incurred.

(c) This function shall not include costs incurred in the construction, improvement, or modification of property and equipment even when necessitated to meet new or changed operating or safety standards. Such costs shall be charged to appropriate property and equipment accounts.

(d) Costs incurred by aircraft handling personnel in visual inspection, minor check and servicing of aircraft, while in line service, shall not be included in this function when performed as an incidental routine during the normal productive use of aircraft but shall be included in function 6900 General Services and Administration.

(e) Each Group I air carrier shall maintain the following subfunctions:

5200 Direct Maintenance.

a. This subfunction shall include the costs of labor, materials and outside services consumed directly in periodic maintenance operations and the maintenance and repair of property and equipment, of all types and classes, regardless of the location at which incurred, exclusive of costs specifically identified with maintenance property and equipment expenses in balance sheet accounts 1630 Equipment, 1639 Improvements to Leased Buildings and Equipment, and 1640.1 Maintenance Buildings and Improvements which shall be included in subfunction 5300 Maintenance Burden.

b. The cost of direct labor, materials and supplies, as well as outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running job

orders or tickets covering repairs and periodic inspections except servicing. Where a number of like items are maintained on a group basis, it will be necessary to maintain only one job order for each group.

c. When supervisory personnel such as crew chiefs, inspectors and foremen are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the appropriate direct labor accounts. The cost of transporting property to and from shops for repair and maintenance shall be included as a part of the cost of the materials and supplies used in the repair or maintenance of such property and equipment. Transportation charges, customs and duties, etc.; shall be included in the cost of repairs and maintenance operations when made by outside parties.

5300 Maintenance Burden.

a. This subfunction shall include all overhead or general expenses which are specifically identified with activities involved in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, including the cost of direct labor, materials and outside services identified with the maintenance and repair of maintenance property and equipment included in balance sheet accounts 1630 Equipment, 1639 Improvements to Leased Buildings and Equipment, and 1604.1 Maintenance Buildings and Improvements. It shall include expenses specifically related to the administration of maintenance stocks and stores, the keeping of pertinent maintenance operations records, and the scheduling, controlling, planning and supervision of maintenance operations.

b. This subfunction shall not include expenses related to financial accounting, purchasing or other overhead activities which are of general applicability to all operating functions. Such expenses shall be included in function 6900 General Services and Administration.

c. This subfunction shall include only those expenses attributable to the current air transport operations of the air carrier. Maintenance burden associated with capital projects of the air carrier, other than overhauls of airframes and aircraft engines shall be allocated to such projects. Maintenance burden incurred in common with services to other companies and operating entities shall be allocated to such services on a pro rata basis unless the services are so infrequent in performance or small in volume as to result in no appreciable demands upon the air carrier's maintenance facilities. When overhauls of airframes or aircraft engines are as a consistent practice accounted for on an accrual basis instead of being expensed directly, maintenance burden shall be allocated to such overhauls on a pro rata basis.

Standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at the close of each calendar year. When the actual burden rate for the year differs materially from the standard burden rate applied, adjustment shall be made to reflect the actual cost incurred for the full accounting year. Allocations of maintenance burden to capital projects, and service sales to others shall be made through the individual maintenance burden objective accounts, except that the air carrier may make such allocations by credits to profit and loss account 77 Uncleared Expense Credits provided that use of that account will not undermine the significance of the individual maintenance burden objective accounts in terms of the expense levels associated with the air carrier's air transport services. Maintenance burden allocated to overhauls shall be credited to profit and loss subaccounts 5372.1 or 5372.6 Airworthiness Allowance Provisions.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 36, Jan. 3, 1977; ER-1027, 42 FR 60128, Nov. 25, 1977; ER-1188, 45 FR 48870, July 22, 1980; Amdt. 241-58, 54 FR 5595, Feb. 6, 1989]

6900 General Services and Administration.

This function shall include expenses incurred on the ground in controlling and protecting the in-flight movement of aircraft; landing, handling, or servicing aircraft on the ground; selling transportation; servicing and handling traffic of all classes; promoting the development of traffic; administering operations generally; and all other expenses not otherwise provided for in functions 5100 Flying Operations, 5400 Maintenance and 7000 Depreciation and Amortization.

7000 Depreciation and Amortization.

This function shall include all charges to expense to record losses suffered through current exhaustion of the serviceability of property and equipment due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs, as well as losses in serviceability caused by obsolescence, supersession, discoveries, change in demand or actions by public authority. It shall also include charges for the amortization of capitalized developmental and preoperating costs, leased property

under capital leases and other intangible assets applicable to the performance of air transportation. (See sections 6–1696, 1830 and 1890.)

[Amdt. 241–58, 54 FR 5595, Feb. 6, 1989]

7100 Transport-Related Expenses.

(a) This function shall include all expense items applicable to the generation of transport-related revenues included in section 9, Function 4800.

(b) Such expense related to services of a magnitude or scope beyond an incidental adjunct to air transportation services shall not be included in this function (see section 1–6(b)). Expenses applicable to the generation of such revenues shall be included in profit and loss classification 8100, Nonoperating Income and Expense-Net, and the accounting modified to conform with that of a nontransport division whether or not the service is organized as a nontransport division.

(c) This function shall also include expenses representing increases in costs incurred in common with the air transport service, to the extent such increases result from the added transport-related services, as well as a pro rata share of the costs incurred by the air carrier in operating facilities which are used jointly with others. As a general rule, this function shall not include those expenses, other than joint facilities costs, which would remain as an essential part of the air transport services if the transport-related services were terminated.

[ER–841, 39 FR 11997, Apr. 2, 1974, as amended by ER–1401, 50 FR 243, Jan. 3, 1985]

Section 11—Functional Classification—Operating Expenses of Group II and Group III Air Carriers

5100 Flying Operations.

(a) This function shall include expenses incurred directly in the in-flight operation of aircraft and expenses attaching to the holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status.

(b) This function shall not include expenses incurred in repairing, servicing or storing aircraft, expenses incurred

on the ground in protecting and controlling the in-flight movement of aircraft, or compensation of ground personnel and other expenses incurred in scheduling or preparing aircraft or aircraft operational personnel for flight assignment. Such expenses shall be included in function 5400 Maintenance, or function 6400 Aircraft and Traffic Servicing.

5400 Maintenance.

(a) This function shall include all expenses, both direct and indirect, incurred in the repair and upkeep of property and equipment as may be required to meet operating and safety standards; in inspecting or checking property and equipment in accordance with prescribed operational standards; and in polishing or cleaning property and equipment when such polishing or cleaning is not an incidental routine in connection with the normal productive use of property and equipment.

(b) This function shall include the cost of direct labor, materials, and outside services and maintenance overhead or other costs associated with maintenance operations regardless of the location at which incurred.

(c) This function shall not include costs incurred in the construction, improvement, or modification of property and equipment even when necessitated to meet new or changed operating or safety standards. Such costs shall be charged to appropriate property and equipment accounts.

(d) Costs incurred by aircraft handling personnel in visual inspection, minor check and servicing of aircraft, while in line service, shall not be included in this function when performed as an incidental routine during the normal productive use of aircraft but shall be included in function 6400 Aircraft and Tariff Servicing.

(e) Both Group II air carriers and Group III air carriers shall maintain the following subfunctions:

5200 Direct Maintenance.

a. This subfunction shall include the costs of labor, materials and outside services consumed directly in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, regardless of the location at which incurred, exclusive of maintenance property

and equipment included in balance sheet accounts 1630 Equipment, 1639 Improvements to Leased Buildings and Equipment, and 1640.1 Maintenance Buildings and Improvements, which shall be included in subfunction 5300 Maintenance Burden.

b. The cost of direct labor, materials and supplies, as well as outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running job orders or tickets covering repairs and periodic inspections except servicing. Where a number of like items are maintained on a group basis, it will be necessary to maintain only one job order for each group.

c. When supervisory personnel such as crew chiefs, inspectors and foremen are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the appropriate direct labor accounts. The cost of transporting property to and from shops for repair and maintenance shall be included as a part of the cost of the materials and supplies used in the repair or maintenance of such property and equipment. Transportation charges, customs and duties, etc., shall be included in the cost of repairs and maintenance operations when made by outside parties.

5300 Maintenance Burden.

a. This subfunction shall include all overhead or general expenses used directly in the activities involved in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, including the cost of direct labor, materials and outside services used in the maintenance and repair of maintenance property and equipment included in balance sheet accounts 1630 Equipment, 1639 Improvements to Leased Buildings and Equipment, and 1640.1 Maintenance Buildings and Improvements. It shall include expenses related to the administration of maintenance stocks and stores, the keeping of pertinent maintenance operation records, and the scheduling, controlling, planning and supervision of maintenance operations.

b. This subfunction shall not include expenses related to financial accounting, purchasing or other overhead activities which are of general applicability to all operating functions. Such expenses shall be included in function 6800 General and Administrative.

c. This subfunction shall include only those expenses attributable to the current air transport operations of the air carrier. Maintenance burden associated with capital projects of the air carrier, other than overhauls of airframes and aircraft engines, shall be allocated to such projects. Maintenance burden incurred in common with services to other companies and operating entities shall be allocated to such services on a pro rata basis unless the services are so infrequent in

performance or small in volume as to result in no appreciable demands upon the air carrier's maintenance facilities. When overhauls of airframes or aircraft engines are as a consistent practice accounted for on an accrual basis instead of being expensed directly, maintenance burden shall be allocated to such overhauls on a pro rata basis. Standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at the close of each calendar year. When the actual burden rate for the year differs materially from the standard burden rate applied, adjustment shall be made to reflect the actual costs incurred for the full accounting year. Allocations of maintenance burden to capital projects, and service sales to others shall be made through the individual maintenance burden objective accounts, except that the air carrier may make such allocations by credits to profit and loss account 77 Uncleared Expense Credits under such circumstances in which the use of that account will not undermine the significance of the individual maintenance burden objective accounts in terms of the expense levels associated with the air carrier's air transport services. Maintenance burden allocated to overhauls shall be credited to profit and loss subaccounts 5372.1 or 5372.6 Airworthiness Allowance Provisions.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 36, Jan. 3, 1977; ER-1401, 50 FR 244, Jan. 3, 1985; Amdt. 241-58, 54 FR 5595, Feb. 6, 1989]

5500 Passenger Service.

This function shall include all expenses chargeable directly to activities contributing to the comfort, safety and convenience of passengers while in flight and when flights are interrupted. It shall not include expenses incurred in enplaning or deplaning passengers, or in securing and selling passenger transportation and caring for passengers prior to entering a flight status. Such expenses shall be included in functions 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales, respectively.

6400 Aircraft and Traffic Servicing.

(a) This function shall include the compensation of ground personnel and other expenses incurred on the ground incident to the protection and control of the in-flight movement of aircraft, scheduling and preparing aircraft operational crews for flight assignment, handling and servicing aircraft while in line operation, servicing and handling

traffic on the ground, subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation, and in-flight expenses of handling and protecting all nonpassenger traffic including passenger baggage.

(b) This function shall include only those aircraft servicing and cleaning expenses which are incurred as an incidental routine during the normal productive use of aircraft in line operations. It shall not include expenses incurred in the repair and maintenance of property and equipment, or in checking or inspecting property and equipment in accordance with prescribed operational standards when such activities are not an incidental routine during the normal productive use of aircraft. Such expenses shall be included in function 5400 Maintenance.

(c) This function shall not include expenses incurred in securing traffic, arranging aircraft space for traffic sold or in issuing documents confirming traffic sales and establishing the air carrier's responsibilities to provide air transportation. Such expenses shall be included in function 6700 Promotion and Sales. However, for purposes of this system of accounts, expenses attributable to the operation of airport traffic offices, excluding reservation centers, shall be included in this function. Expenses attributable to the operation of reservation or aircraft space control centers shall be included in function 6700 Promotion and Sales regardless of the location at which incurred.

(d) Group III air carriers shall further subdivide this function as follows:

6100 Aircraft Servicing.

a. This subfunction shall include the compensation of ground personnel and other expenses incurred on the ground incident to the protection and control of the in-flight movement of aircraft; scheduling or preparing aircraft operational crews for flight assignment; landing and parking aircraft; visual inspection, routine checking, servicing and fueling of aircraft; and other expenses incurred on the ground incident to readying for arrival and takeoff of aircraft.

6200 Traffic Servicing.

a. This subfunction shall include the compensation of ground personnel and other expenses incurred on the ground incident to

handling traffic of all types and classes on the ground subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation. Expenses attributable to the operation of airport traffic offices shall also be included in this subfunction; expenses attributable to reservations centers shall be excluded. It shall include expenses incurred in both enplaning and deplaning traffic as well as expenses incurred in preparation for enplanement and all expenses subsequent to deplanement.

b. This subfunction shall also include costs incurred in handling and protecting all nonpassenger traffic while in flight. It shall not include expenses incurred in contributing to the comfort, safety and convenience of passengers while in flight or when flights are interrupted. Such expenses shall be included in function 5500 Passenger Service.

6300 Servicing Administration.

a. This subfunction shall include expenses of a general nature incurred in performing supervisory or administrative activities relating solely and in common to subfunctions 6100 Aircraft Servicing and 6200 Traffic Servicing.

b. This subfunction shall not include supervisory or administrative expenses which can be charged directly to subfunction 6100 Aircraft Servicing or subfunction 6200 Traffic Servicing. Nor shall this subfunction include expenses of a general administrative character and of significant amount regularly contributing to operating functions generally. Such expenses shall be included in function 6800 General and Administrative.

c. The expenses in this subfunction shall be recorded separately for each geographic location at which incurred.

6700 Promotion and Sales.

(a) This function shall include expenses incurred in creating public preference for the air carrier and its services; stimulating the development of the air transport market; and promoting the air carrier or developing air transportation generally.

(b) It shall also include the compensation of personnel and other expenses incident to documenting sales; expenses incident to controlling and arranging or confirming aircraft space for traffic sold; expenses incurred in direct sales solicitation and selling of aircraft space; and expenses incurred in developing tariffs and schedules for publication.

(c) This function shall not include expenses incurred in handling traffic subsequent to the issuance of documents

establishing the air carrier's responsibility to provide air transportation which shall be included in functions 5500 Passenger Service and 6400 Aircraft and Traffic Servicing. However, for purposes of this system of accounts, expenses attributable to the operation of airport traffic offices, excluding reservation centers, shall be included in function 6400 Aircraft and Traffic Servicing. Expenses attributable to the operation of reservation or aircraft space control centers shall be included in function 6700 Promotion and Sales regardless of the location at which incurred.

(d) Group III air carriers shall subdivide this function as follows:

6500 *Reservations and Sales.*

This subfunction shall include expenses incident to direct sales solicitation, documenting sales, controlling and arranging or confirming aircraft space sold, and in developing tariffs and schedules for publication. It shall also include expenses attributable to the operation of city traffic offices. Expenses incurred in stimulating traffic and promoting the air carrier or air transportation generally shall not be included in this subfunction but in subfunction 6600 Advertising and Publicity.

6600 *Advertising and Publicity.*

a. This subfunction shall include expenses incurred in creating public preference for the air carrier and its services; stimulating development of the air transport market; and promoting the air carrier or developing air transportation generally.

b. This subfunction shall not include expenses incurred in direct sales solicitation and selling of aircraft space. Such costs shall be included in subfunction 6500 Reservations and Sales.

6800 *General and Administrative.*

(a) This function shall include expenses of a general corporate nature and expenses incurred in performing activities which contribute to more than a single operating function such as general financial accounting activities, purchasing activities, representation at law, and other general operational administration, which are not directly applicable to a particular function.

(b) This function shall not include expenses incurred directly in promoting traffic or in promoting relations of the air carrier generally with the public

which shall be included in function 6700 Promotion and Sales. Nor shall this function include expenses, regularly applicable in large part to a specific function, which contribute only incidentally, or in small amount, to various other functions. Such expenses when of such size as will not distort the function to which predominantly related, shall be included in the specific function to which regularly related. However, expenses of a general administrative character and of significant amount regularly contributing to operating functions generally shall be included in this function.

7000 *Depreciation and Amortization.*

This function shall include all charges to expense to record losses suffered through current exhaustion of the serviceability of property and equipment due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs, as well as losses in serviceability occasioned by obsolescence, supersession, discoveries, change in popular demand or action by public authority. It shall also include charges for the amortization of capitalized developmental and preoperating costs, leased property under capital leases, and other intangible assets applicable to the performance of air transportation. (See sections 6-1696, 1830 and 1890.)

[Amdt. 241-58, 54 FR 5595, Feb. 6, 1989]

7100 *Transport-Related Expenses.*

(a) This function shall include all expense items applicable to the generation of transport-related revenues included in section 9, Function 4800.

(b) Such expense related to services of a magnitude or scope beyond an incidental adjunct to air transportation services shall not be included in this function (see section 1-6(b)). Expenses applicable to the generation of such revenues shall be included in profit and loss classification 8100, Nonoperating Income and Expense-Net, and the accounting modified to conform with that of a nontransport division whether or not the service is organized as a nontransport division.

(c) This function shall also include expenses representing increases in

costs incurred in common with the air transport service, to the extent such increases result from the added transport-related services, as well as a pro rata share of the costs incurred by the air carrier in operating facilities which are used jointly with others. As a general rule, this function shall not include those expenses, other than joint facilities, costs, which would remain as an essential part of the air transport services if the transport-related services were terminated.

[ER-841, 39 FR 11997, Apr. 2, 1974, as amended by ER-1401, 50 FR 244, Jan. 3, 1985]

Section 12—Objective Classification—Operating Revenues and Expenses

00 General Instructions.

(a) Basic objective accounts, applicable to all air carrier groups, are established for recording all revenue and expense elements. These basic accounts are in certain areas subdivided to provide greater detail for indicated air carrier groups.

(b) Each air carrier shall credit the gross revenues accruing from services ordinarily associated with air transportation and transportation-related services to the appropriate account established for each revenue source. Expenses incident to transport and transport-related services shall be charged to the accounts established in this section in accordance with the objectives served by each expenditure. However, direct costs of forwarding traffic as a result of interrupted trips, and refunds of sales, shall be charged to the applicable revenue account.

(c) To the end that the integrity of the prescribed objective accounts shall not be impaired, each air carrier shall:

(1) Charge the appropriate account prescribed for each service purchased or expense element incurred expressly for the benefit of the air carrier regardless of whether incurred directly by the air carrier or through an agent or other intermediary, and (2) except as provided in objective account 77, Uncleared Expense Credits, credit or charge, as appropriate, the account prescribed for each expense element which may be involved in distributions

of expenses between (i) separate operating entities of the air carrier, (ii) transport-related services and transport services, or transport functions, (iii) balance sheet and profit and loss elements, and (iv) the air carrier and others, when the expenses are incurred initially by or for the benefit of the air carrier. At the option of the air carrier, standard rates applicable to each objective account comprising a particular pool of expenses subject to assignment between two or more activities, may be established for proration purposes, provided the rates established are predicated upon the experience of the air carrier and are reviewed and modified as appropriate at least once each year.

TRANSPORT REVENUES

01 Passenger.

(a) Record here revenue from the transportation of passengers by air, including infants transported at reduced fares, berth charges, surcharges for premium services and other similar charges. Revenue from airline employees, officers and directors, or other persons, except for ministers of religion, who are traveling under reduced-rate transportation authorized by 49 U.S.C. 41511(a) and 14 CFR part 223, as well as revenue from travel agents, cargo agents and tour conductors traveling at reduced fares, and revenues from service charges for passengers traveling on a nonrevenue basis shall be recorded in objective account 19 Air Transport—Other.

(b) This account shall be subdivided as follows by all air carrier groups:

01.1 Passenger—First Class.

Record here revenue from the air transportation of passengers moving at either standard fares or premium fares, or at reduced fares not predicated upon the use of aircraft space specifically separated from first class, and for whom standard or premium quality services are provided.

01.2 Passenger—Coach.

Record here revenue from the air transportation of passengers moving at special fares reduced from the first class or premium fares which are predicated upon both the operation of specifically designated aircraft

space and a reduction in the quality of service regularly and ordinarily provided.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 36, Jan. 3, 1977; 60 FR 66723, Dec. 26, 1995]

05 Mail.

(a) Record here revenue from the transportation by air of both United States and foreign mail.

(b) Fines and penalties imposed by the United States Government and foreign governments in connection with the carriage of mail shall not be charged to this account but to profit and loss account 89.9 Other Miscellaneous Nonoperating Debits.

(c) This account shall be subdivided as follows by all air carrier groups:

05.1 Priority.

Record here revenue from United States mail for which transportation by air is provided on a priority basis.

05.2 Nonpriority.

Record here revenue from United States mail for which transportation by air is provided on a space available basis.

05.3 Foreign.

Record here revenue from the transportation by air of mail other than United States mail.

[ER-980, 42 FR 36, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5595, Feb. 6, 1989]

06 Property.

(a) Record here revenue from the transportation by air of property including excess passenger baggage.

(b) Revenues resulting from services incidental to the transportation services such as collection of shipper's interest insurance premiums and charges and fees for service such as pick-up and delivery, assembly and distribution, storage and handling, and C.O.D. collection shall not be credited to this account but to profit and loss account 17 Air Cargo Services.

(c) This account shall be subdivided as follows by all air carrier groups:

06.1 Freight.

Record here revenue from the transportation by air of property other than passenger baggage.

06.2 Excess Passenger Baggage.

Record here revenue from the transportation by air of passenger baggage in excess of fixed free allowance.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-1401, 50 FR 244, Jan. 3, 1985]

07 Charter.

(a) Record here the revenue from nonscheduled air transport services (except as otherwise required by profit and loss Account 86 Income from Non-transport Ventures) where the party receiving the transportation obtains exclusive use of an aircraft at either published tariff or other contractual rates and the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier. This account shall also include revenues from air transport services other than inter-airport services, whether scheduled or nonscheduled, where each passenger or shipment receiving transportation is individually documented and does not obtain exclusive use of an aircraft.

(b) This account shall not include revenues or fees received from other air carriers for flight facilities furnished or operated by the accounting air carrier where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of other air carriers. Such revenues and related expenses shall be included in profit and loss accounts 11, Rents; 13, Interchange Sales; or 18, Other Transport-Related Revenues and Expenses.

(c) This account shall be subdivided as follows by all air carrier groups:

07.1 Passenger.

Record here revenue from the transportation of passengers and their personal baggage.

07.2 Property.

Record here revenue from the transportation of property.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 37, Jan. 3, 1977; ER-1401, 50 FR 244, Jan. 3, 1985]

TRANSPORT RELATED REVENUES AND
EXPENSES

08 Public Service Revenues (Subsidy).

Record here amounts of compensation received pursuant to the provisions of 49 U.S.C. 41733 under rates established by the Department of Transportation for the provision of essential air service to small communities.

[Amdt. 241–58, 54 FR 5595, Feb. 6, 1989, as amended at 60 FR 66723, Dec. 26, 1995]

09 In-Flight Sales.

(a) Record here revenues from and expenses related to transport-related services performed while in flight.

(b) This account shall be subdivided as follows by all air carrier groups:

- 09.1 Liquor and food—gross revenues.
- 09.2 Movies and stereo—gross revenues.
- 09.3 Other—gross revenues.
- 09.4 Liquor and food—depreciation expense.
- 09.5 Liquor and food—other expense.
- 09.6 Movies and stereo—depreciation expense.
- 09.7 Movies and stereo—other expense.
- 09.8 Other—depreciation expense.
- 09.9 Other—expense.

10 Restaurant and Food Service (Ground).

(a) Record here revenues from and expenses related to the operation of restaurants and similar facilities, and from sales of food. (See section 12–51.)

(b) This account shall be subdivided as follows by all air carrier groups.

- 10.1 Gross revenues.
- 10.2 Depreciation expense.
- 10.3 Other expense.

11 Rents.

(a) Record here revenues from and expenses related to property and equipment owned or leased which has been rented or subleased to others exclusive of associated companies. This account shall not include fees from the use by others of air carrier aircraft under aircraft interchange agreements.

(b) This account shall be subdivided as follows by all air carrier groups:

- 11.1 Gross Revenues.
- 11.2 Depreciation Expense.
- 11.3 Other Expenses.

12 Limousine Service.

(a) Record here revenues from and expenses related to the operation of passenger limousine surface transportation services.

(b) This account shall be subdivided as follows by all air carrier groups:

- 12.1 Gross Revenues.
- 12.2 Depreciation Expense.
- 12.3 Other Expenses.

13 Interchange Sales.

(a) Record here the revenues or fees from and the expenses related to services provided associated companies and other than associated companies by the air carrier under aircraft interchange agreements. This account shall be charged and the applicable operating expense objective accounts shall be credited, except as provided in operating expense objective account 77, Uncleared Expense Credits, with the expenses attaching to services provided all companies under aircraft interchange agreements.

(b) This account shall not include revenues or expenses related to air transportation services performed in the name of and for the account of the accounting air carrier. Such revenues shall be included in applicable transport revenue and operating expense objective accounts.

(c) This account shall be subdivided as follows by all air carrier groups:

- 13.1 Associated companies—gross revenues.
- 13.2 Outside—gross revenues.
- 13.3 Associated companies—depreciation expense.
- 13.4 Associated companies—other expense.
- 13.5 Outside—depreciation expense.
- 13.6 Outside—other expense.

14 General Service Sales.

(a) Record here the revenues, commissions or fees from and expenses related to other than air transportation and aircraft interchange services provided to associated and outside companies by the air carrier. This account shall include the contractual fees or other revenues from and expenses related to services provided to associated and other companies in the operation of facilities which are used jointly with associated and other companies as well as revenues from and the costs related

to the sale of supplies, parts and repairs sold directly or furnished as a part of services to associated and other companies.

(b) This account shall not include consideration received from sales of property, equipment, materials or supplies when disposed of as a part of a program involving retirement of property and equipment as opposed to routine sales and services to associated and other companies unless such disposition is conducted as a normal part of the incidental sales activity. Such retirement gain or loss shall be included in capital gains and losses accounts. Maintenance parts, materials or supplies sold as a service to others shall be charged to this account at cost without adjustment of related obsolescence or depreciation allowances.

(c) This account shall be subdivided as follows by all air carrier groups:

- 14.1 Associated companies—gross revenues.
- 14.2 Outside—gross revenues.
- 14.3 Associated companies—depreciation expense.
- 14.4 Associated companies—other expense.
- 14.5 Outside—depreciation expense.
- 14.6 Outside—other expense.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 37, Jan. 3, 1977]

16 Substitute (replacement) Service.

(a) Record here revenues from and expenses related to substitute service. This account shall include as revenues all monies received from substitute carriers and as expense all monies paid to substitute carriers.

(b) This account shall be subdivided as follows by all air carrier groups:

- 16.1 Gross revenue.
- 16.2 Expense.

17 Air Cargo Services.

(a) Record here fees and other revenues from and expenses related to incidental services performed in connection with cargo shipments such as pickup and delivery fees, shipper's interest insurance charges, storage and handling fees, etc.

(b) This account shall be subdivided as follows by all air carrier groups:

- 17.1 Gross Revenues.
- 17.2 Depreciation Expense.
- 17.3 Other Expenses.

18 Other Transport-Related Revenues and Expenses.

(a) Record here revenues from and expenses related to transport-related services not provided for in profit and loss accounts 10 through 17, inclusive, such as revenues and expenses incident to the operation of flight facilities by the accounting air carrier, except those operated under aircraft interchange agreements, where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, other air carriers; and the revenues and expenses incident to vending machines, parcel rooms, storage facilities, etc.

(b) [Reserved]

(c) Revenues from the renting or leasing of property and equipment to others shall not be included in this account but in profit and loss account 11 Rents.

(d) This account shall be subdivided as follows by all air carrier groups:

- 18.1 Gross Revenues.
- 18.2 Depreciation Expense.
- 18.3 Other Expenses.

19 Air Transport—Other.

(a) Record here revenues associated with air transportation conducted by the air carrier, not provided for in profit and loss accounts 01 through 09, inclusive, such as revenue from (1) airline employees, officers and directors, or other persons, except for ministers of religion, who are traveling under reduced-rate transportation authorized by 49 U.S.C. 41511(a) and 14 CFR part 223, as well as travel agents, cargo agents and tour conductors traveling at reduced fares, (2) service charges for failure to cancel or for late cancellation of air transportation reservations, and (3) nontransportation service charges collected on both revenue and nonrevenue flights.

(b) Revenues derived from sightseeing, aerial photography, advertising, or other special flights shall not be included in this account but in account 07 Charter.

(c) This account shall be subdivided as follows by all air carrier groups:

- 19.1 Reservations Cancellation Fees.
 19.9 Miscellaneous Operating Revenue.

[ER–755, 37 FR 19726, Sept. 21, 1972, as amended by ER–820, 38 FR 24352, Sept. 7, 1973; ER–841, 39 FR 11997, Apr. 2, 1974; ER–980, 42 FR 37, Jan. 3, 1977; 60 FR 66723, Dec. 26, 1995]

TRANSPORT EXPENSES

20 General Instructions.

(a) Each element of expense ordinarily associated with air transportation services shall be charged to the accounts established in this section in accordance with the objectives served by each expenditure. Basic objective accounts, applicable to all air carrier groups, are established for recording all expense elements. These basic accounts are in certain areas subdivided to provide greater detail for indicated air carrier groups.

(b) To the end that the integrity of the prescribed objective accounts shall not be impaired, each air carrier shall:

(1) Charge the appropriate account prescribed for each service purchased or expense element incurred expressly for the benefit of the air carrier regardless of whether incurred directly by the air carrier or through an agent or other intermediary, and (2) except as provided in objective account 77 Uncleared Expense Credits, credit or charge, as appropriate, the account prescribed for each expense element which may be involved in distributions of expenses between (i) separate operating entities of the air carrier, (ii) incidental and transport services or transport functions, (iii) balance sheet and profit and loss elements and (iv) the air carrier and others, when the expenses are incurred initially by or for the benefit of the air carrier. At the option of the air carrier, standard rates applicable to each objective account comprising a particular pool of expenses subject to assignment between two or more activities, may be established for proration purposes, provided the rates established are predicated upon the experience of the air carrier and are reviewed and modified as appropriate at least once each year.

21 General Management Personnel.

Record here the compensation, including vacation and sick leave pay, of

general officers and supervisors, and immediate assistants regardless of locality at which based, responsible for an activity not provided for in profit and loss accounts 25 through 35, inclusive, or an activity involving two or more such accounts.

23 Pilots and Copilots.

Record here the compensation, including vacation and sick leave pay, of pilots and copilots assigned or held inactive awaiting assignment to flight duty.

24 Other Flight Personnel.

Record here the compensation, including vacation and sick leave pay, of other flight personnel assigned or held inactive awaiting assignment to flight status, not responsible for the in-flight management of aircraft, such as engineers, navigation officers and cabin attendants.

25 Maintenance Labor.

(a) Record here the compensation for time of personnel spent directly on specific property and equipment maintenance projects. (See sections 10 and 11–5200.) Vacation and sick leave pay shall be charged to profit and loss account 28 Trainees, Instructors and Unallocated Shop Labor.

(b) This account shall be subdivided as follows:

GROUP II AND GROUP III AIR CARRIERS

25.1 *Labor—Airframes and Other Flight Equipment.*

Record here the direct labor expended upon airframes, spare parts related to airframes, and other flight equipment (Other than aircraft engines and spare parts related to aircraft engines). Other flight equipment shall include instruments, which encompass all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines which are maintained separately from airframes and aircraft engines.

25.2 *Labor—Aircraft Engines.*

Record here the direct labor expended upon aircraft engines and spare parts related to aircraft engines.

GROUP I AIR CARRIERS

25.6 *Labor—Flight Equipment.*

Record here the direct labor expended upon flight equipment of all types and classes.

ALL AIR CARRIER GROUPS

25.9 Labor—Ground Property and Equipment.

Record here the direct labor expended upon ground property and equipment of all types and classes. Direct labor expended upon general ground properties shall be charged to subfunction 5200 Direct Maintenance; and direct labor expended upon maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-1401, 50 FR 244, Jan. 3, 1985]

26 Aircraft and Traffic Handling Personnel.

(a) Record here the compensation, including vacation and sick leave pay, of personnel of all types and classes, including direct supervisory personnel, assigned to ground activities, engaged directly in protecting and controlling aircraft in flight, scheduling and preparing flight crews for flight assignment, parking and servicing aircraft incidental to line operations, and of personnel of all types and classes engaged in servicing and handling traffic of all types and classes on the ground.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

26.1 General Aircraft and Traffic Handling Personnel.

Record here compensation of personnel handling or controlling aircraft and generally servicing or handling traffic of all types and classes whose activities are not identifiable with the particular activities provided for in subaccounts 26.2, 26.3, or 26.4, inclusive.

26.2 Aircraft Control Personnel.

Record here compensation of personnel whose activities are identifiable with the protection and control of aircraft in flight and in scheduling or preparing flight crews for flight assignment.

26.3 Passenger Handling Personnel.

Record here compensation of personnel whose activities are identifiable with the handling of passengers.

26.4 Cargo Handling Personnel.

Record here compensation of personnel whose activities are identifiable with the handling of passenger baggage, mail, express, or freight.

28 Trainees, Instructors, and Unallocated Shop Labor.

(a) Record here the compensation, including vacation and sick leave pay, of instructors and personnel in an off-the-job training status; direct maintenance personnel compensation not assigned to specific projects; and vacation or sick leave pay of direct maintenance personnel.

(b) This account shall be subdivided as follows by all air carrier groups:

28.1 Trainees and Instructors.

Record here the compensation of instructors and personnel in a training status.

28.2 Unallocated Shop Labor.

Record here the pay of direct maintenance personnel which has not been assigned to profit and loss account 25 Maintenance Labor for time spent on specific maintenance projects, and vacation or sick leave pay of direct maintenance personnel.

30 Communications Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel of all types and classes, including direct supervisory personnel, engaged in local, interstation, or groundair communication activities. This account shall include compensation of personnel such as radio operators, telephone operators, switchboard operators, teletype operators, messengers, etc.

31 Recordkeeping and Statistical Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel including supervisory personnel, whose primary duties relate to maintaining records or conducting economic or other analyses required for general management controls, such as accountants, economists, statisticians, maintenance record clerks, stores record clerks, stores receiving and issuing clerks and file clerks. The account shall not include personnel engaged in documentation or other activities constituting an integral part of activities encompassed by other objective accounts.

32 Lawyers and Law Clerks.

Record here the compensation, including vacation and sick leave pay, of

air carrier personnel engaged in law research or representing the air carrier in matters of law.

33 Traffic Solicitors.

Record here the compensation, including vacation and sick leave pay, of personnel engaged directly in solicitation of traffic of all types and classes. This account shall not include compensation of traffic office personnel engaged in soliciting activities incidental to the documenting of sales and assigning aircraft space which shall be included in profit and loss account 26 Aircraft and Traffic Handling Personnel.

34 Purchasing Personnel.

(a) Record here the compensation, including vacation and sick leave pay, of personnel, including direct supervisory personnel, engaged in purchasing activities.

(b) This account shall include compensation of personnel engaged in maintaining purchasing records but shall not include compensation of personnel responsible for the control of inventories or stores which shall be included in objective account 31 Record Keeping and Statistical Personnel. In cases where the responsibility for maintaining purchasing and stores records are inseparable, the related compensation may be accounted for in accordance with dominant responsibilities.

35 Other Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel whose activities are not identifiable with activities provided for in profit and loss accounts 21 through 34, inclusive.

36 Personnel Expenses.

(a) Record here expenses incurred by officers, executives, directors and other personnel, whether for the benefit of the air carrier or for the private benefit of such persons, which are directly or indirectly borne by the air carrier.

(b) This account shall include allowances in lieu of expenses as well as expenses incurred for travel, lodgings, meals, entertainment of individuals or groups of individuals, and membership

fees and dues in professional or social clubs and associations.

(c) Records shall be maintained in a conveniently accessible form which will separately and clearly document each charge to this account in terms of its natural characteristics and contribution to the performance of the air carrier's transport operations. The records shall be maintained in such manner as will identify specifically the persons incurring the cost. Costs for standby hotel or other facilities maintained for the air carrier's personnel generally need not be allocated among the individuals using such facilities; however, sufficiently detailed records are required to identify the use made of such facilities by each individual.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-948, 41 FR 12295, Mar. 25, 1976]

37 Communications Purchased.

Record here expenses, including related taxes, incurred for rental of communication services and for communication services of all types and classes not provided by personnel of the air carrier, such as telegraph, telephone, teletype, private line services, and charges for communication services from organizations operated jointly with associated companies or others.

38 Light, Heat, Power and Water.

Record here charges related to the provision of light, heat, power and water including related taxes.

39 Traffic Commissions.

(a) Record here charges by others, including associated companies, for commissions arising from sales of transportation. Commissions, fees or other charges incurred for general agency services, as opposed to commissions arising from sales of transportation, shall not be included in this account but in profit and loss account 43 General Services Purchased.

(b) This account shall be subdivided as follows by Group II and Group III air carriers.

39.1 Commissions—Passenger.

Record here charges for commissions arising from sales of passenger transportation.

39.2 Commissions—Property.

Record here charges for commissions arising from sales of nonpassenger transportation.

40 Legal Fees and Expenses.

Record here expenditures incurred for legal services by counsel retained on a fee basis and related expenses reimbursed or borne directly by the air carrier and other expenses incurred directly by the air carrier for legal supplies not obtainable from the air carrier's general stationery stock. This account shall not be charged with legal fees or expenses incurred in connection with claims occasioned by accidents or other casualties. Such charges shall be accumulated in balance sheet account 1890 Other Assets and cleared to profit and loss account 58 Injuries, Loss and Damage upon settlement of insurance claims. Nor should this account include fees or expenses related to developmental projects. Such expenses shall be included, as appropriate, in profit and loss account 89.9 Other Miscellaneous Nonoperating Debits or balance sheet account 1830 Unamortized Developmental and Preoperating Costs.

[ER-980, 42 FR 37, Jan. 3, 1977]

41 Professional and Technical Fees and Expenses.

Record here fees and expenses, other than legal fees and expenses, incurred for outside professional and technical services which are reimbursed or borne directly by the air carrier. This account shall not include fees or expenses related to developmental projects. Such expenses shall be included, as appropriate, in profit and loss account 89.9 Other Miscellaneous Nonoperating Debits or balance sheet account 1830 Unamortized Developmental and Preoperating Costs.

[ER-980, 42 FR 37, Jan. 3, 1977]

43 General Services Purchased.

(a) Record here charges for services performed for the air carrier by outside and associated companies which are not identifiable with services provided for in profit and loss accounts 37 through 41, inclusive, or which are not expressly identified with other objective expense accounts.

(b) Charges from outside and associated companies for services provided the air carrier under aircraft interchange agreements or other agreements embracing a complete activity or service, such as the operating of jointly used ground facilities, shall be included in this account for each operating function to which the services contribute. Charges for providing aircraft capacity, including charges for depreciation and interest on the capital related to the flight equipment provided, shall be included in function 5100 Flying Operations.

(c) This account shall be subdivided by each air carrier group, as follows:

GROUP II AND GROUP III AIR CARRIERS

43.1 Airframe and Other Flight Equipment Repairs.

Record here charges for maintenance or repair of airframes and spare parts related to airframes owned or leased by the air carrier. Charges for maintenance or repair of other flight equipment (including instruments) owned or leased by the air carrier, excluding aircraft engines and spare parts related to aircraft engines, shall also be recorded here. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines. Charges by outside and associated companies for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges.

43.2 Aircraft Engine Repairs.

Record here charges for maintenance or repair of aircraft engines, including spare parts related to aircraft engines owned or leased by the air carrier. Charges by outside and associated companies for maintenance of aircraft engines provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges.

GROUP I AIR CARRIERS

43.6 Flight Equipment Repairs.

Record here charges for maintenance or repair of flight equipment of all types and classes owned or leased by the air carrier. Charges by outside and associated companies for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but

in subaccount 43.7 Aircraft Interchange Charges.

ALL AIR CARRIER GROUPS

43.7 *Aircraft Interchange Charges.*

Record here charges by outside and associated companies for providing aircraft capacity or services related to the direct operation or maintenance of flight equipment under aircraft interchange agreements.

43.8 *General Interchange Service Charges.*

Record here charges by outside and associated companies for services provided the air carrier under aircraft interchange agreements, other than charges related to the direct operation or maintenance of flight equipment, including all charges for maintenance and repair of group properties, as well as fees or charges for traffic solicitation and sales, or supervision and administration covered by the aircraft interchange agreements. Charges for depreciation or interest on capital related to flight equipment provided under interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges.

43.9 *Other Services.*

Record here charges for maintenance and repair of ground property and equipment of all types and classes and other charges for services performed by outside and associated companies not provided for elsewhere. This subaccount shall include only those charges for services not provided for elsewhere in profit and loss accounts 37 to 41, inclusive, and subaccounts 43.1 to 43.8, inclusive, embracing a complete activity or service provided by outside and associated companies such as the operation of traffic offices or other facilities used jointly with the air carrier which do not represent reimbursement of specific expense elements incurred expressly for the benefit of the air carrier. Reimbursement of expenses incurred expressly for the benefit of the air carrier shall be entered in appropriate personnel compensation or other objective expense accounts. The cost of services received in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance; and services received in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

[Amdt. 241–56, 52 FR 9129, Mar. 23, 1987]

44 Landing Fees.

Record here the charges and fees incurred for landing of aircraft while in line operation.

45 Aircraft Fuels and Oils.

(a) Record here the cost of fuels and oils issued from stocks of the air carrier, or delivery directly by others, to aircraft for use in flight operations. Adjustments of inventories of aircraft fuel and oil shall also be entered in this account. The cost of fuels and oils used in repairs and maintenance services and nonrefundable fuel and oil taxes shall not be included in this account but in profit and loss accounts 49 Shop and Servicing Supplies and 69 Taxes—Other than Payroll, respectively.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

45.1 *Aircraft Fuels.*

Record here the cost of fuels used in flight operations.

45.2 *Aircraft Oils.*

Record here the cost of oils used in flight operations.

46 Maintenance Materials.

(a) Record here the cost of materials and supplies consumed directly in specific property and equipment maintenance projects.

(b) This account shall be subdivided as follows:

GROUP II AND GROUP III AIR CARRIERS

46.1 *Materials—Airframes and Other Flight Equipment.*

Record here the cost of materials and supplies consumed directly in maintenance of airframes and spare parts related to airframes. Other flight equipment (including instruments), excluding aircraft engines and spare parts related to aircraft engines, shall also be recorded here. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines.

46.2 *Materials—Aircraft Engines.*

Record here the cost of materials and supplies consumed directly in maintenance of aircraft engines and spare parts related to aircraft engines.

GROUP I AIR CARRIERS

46.6 *Materials—Flight Equipment.*

Record here the cost of materials and supplies consumed directly in the maintenance of flight equipment of all types and classes.

ALL AIR CARRIER GROUPS

46.9 Materials—Ground Property and Equipment.

Record here the cost of materials and supplies consumed directly in the maintenance of ground property and equipment of all types and classes. The cost of materials and supplies consumed in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance and materials and supplies consumed in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-1401, 50 FR 245, Jan. 3, 1985]

47 Rentals.

Record here rentals, fee, or charges incurred in the use of property and equipment provided by others. When a lease arrangement provides that the amounts paid include charges for maintenance, insurance, or taxes, the amounts related thereto shall not be recorded in this account but in the appropriate expense account to which related.

49 Shop and Servicing Supplies.

Record here the cost of supplies and expendable small tools and equipment used in maintaining, servicing and cleaning property or equipment the cost of which cannot be directly assigned to a specific job or type of work.

50 Stationery, Printing and Office Supplies.

Record here the cost of stationery and forms used by the air carrier including the cost of engineering and shipping supplies.

51 Passenger Food Expense.

(a) Record here the cost of food and refreshments served passengers except food costs arising from interrupted trips.

(b) If the air carrier prepares its own food, the initial cost and expenses incurred in the preparation thereof shall be accumulated in a clearly identified clearing account through which the cost of food shall be cleared to this account, to profit and loss account 36 Personnel Expenses, and to profit and loss account 10 Hotel, Restaurant and Food Service on bases which appro-

priately allocate the cost of food served passengers, the cost of food provided employees without charge and the cost of food sold.

53 Other Supplies.

Record here the cost of supplies consumed and not provided for otherwise.

54 Inventory Adjustments.

Record here adjustments for overage, shortage or shrinkage of inventories carried in balance sheet account 1300 Spare Parts and Supplies. Adjustment of aircraft fuel and oil inventories due to retroactive price increases and decreases shall not be included in this account but in profit and loss account 45 Aircraft Fuels and Oils. Gains or losses from retirements of materials and supplies shall not be recorded in this account but in profit and loss account 88.5 Capital Gains and Losses—Operating Property.

[ER-980, 42 FR 37, Jan. 3, 1977]

55 Insurance—General.

Record here the cost of public liability and property damage insurance and all other general insurance except insurance covering liability for injuries, loss, and damage to passengers and cargo, and insurance carried for the protection or welfare of employees.

[ER-948, 41 FR 12295, Mar. 25, 1976]

56 Insurance—Traffic Liability.

Record here the cost of purchased insurance covering liability for injuries, loss and damage to passengers and cargo.

[ER-980, 42 FR 37, Jan. 3, 1977]

57 Employee Benefits and Pensions.

(a) Record here all costs for the benefit or protection of employees including all pension expenses whether for payments to or on behalf of retired employees or for accruals or annuity payments to provide for pensions; and all expenses for accident, sickness, hospital, and death benefits to employees or the cost of insurance to provide these benefits. Include, also, expenses incurred in medical, educational, or recreational activities for the benefit

of employees. Do not include vacation and sick leave pay, or salaries of doctors, nurses, trainees, or instructors, which shall be recorded in the regular salary accounts.

(b) [Reserved]

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 37, Jan. 3, 1977; ER-1188, 45 FR 48871, July 22, 1980]

58 Injuries, Loss and Damage.

Record here the remainder of gains, losses or costs resulting from accidents, casualties or mishandlings, after offsetting insurance recoveries, as accumulated until finally determined in balance sheet account 1890 Other Assets and Deferred Charges. This account shall not include gains or losses from retirement of property and equipment resulting from casualties. Such gains or losses shall be recorded in appropriate capital gains or losses accounts.

[Amdt. 241–58, 54 FR 5596, Feb. 6, 1989]

59 Schedules and Timetables.

Record here the production and distribution cost, excluding compensation of air carrier personnel, of all operating schedules, timetables, circulars and related quick reference charts.

[ER-1401, 50 FR 245, Jan. 3, 1985]

60 Advertising.

Record here the cost, excluding compensation of air carrier personnel, of all space, direct mail, spot and other advertising for the purpose of increasing air travel, disseminating air travel information and publicizing services offered by the air carrier.

61 Foreign Exchange Gains and Losses.

Record here gains or losses from transactions involving currency translations resulting from normal, routine, current fluctuations in rates of foreign exchange. Gains or losses of a nonroutine abnormal character and gains or losses which arise from long-term debt principal and interest transactions shall not be entered in this account but in profit and loss account 85, Foreign Exchange Gains and Losses.

[Amdt. 241–58, 54 FR 5596, Feb. 6, 1989]

62 Other Promotional and Publicity Expenses.

Record here the costs, excluding compensation of air carrier personnel, of producing and distributing publicity releases and other expenses, not chargeable to profit and loss accounts 59 and 60, incurred for the purpose of publicizing or improving the public relations of the air carrier generally.

63 Interrupted Trips Expense.

Record here expenses allowed or paid for the care and serving of passengers because of unscheduled interruptions in passenger journeys. Transportation refunds and the cost of forwarding traffic by surface common carrier or otherwise as a result of such interruptions shall not be charged to this account but to the appropriate operating revenue account.

64 Memberships.

Record here the cost of membership dues in trade associations, chambers of commerce, or other business associations and organizations together with special assessments related thereto.

65 Corporate and Fiscal Expenses.

Record here corporate and fiscal fees and expenses of the air carrier and all expenses in connection with exchange and transfer of capital stock excluding expenses in connection with original issuance of capital stock.

66 Uncollectible Accounts.

Record here losses from uncollectible accounts and allowance provisions and adjustments thereto, for such losses. When allowances for uncollectible accounts are established, losses as realized shall be charged against such allowances and shall not be charged to this account.

[ER-980, 42 FR 37, Jan. 3, 1977]

67 Clearance, Customs and Duties.

Record here clearance, customs, duties and brokerage fees and charges applicable to clearing aircraft and traffic.

68 Taxes—Payroll.

Record here all taxes levied against the air carrier based upon or directly relating to compensation of personnel.

69 Taxes—Other Than Payroll.

(a) Record here all taxes levied against the air carrier not otherwise provided for including nonrefundable aircraft fuel and oil taxes. Interest and penalties on delinquent taxes shall not be charged to this account but to profit and loss accounts 82 Other Interest and 89.9 Other Miscellaneous Nonoperating Debits, respectively.

(b) Entries to this account shall clearly reveal each kind of tax and the governmental agency to which paid or payable.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-980, 42 FR 37, Jan. 3, 1977]

71 Other Expenses.

Record here all expenses ordinarily associated with air transportation and its incidental services not provided for otherwise.

72 Aircraft Overhauls.

(a) Record here airframe and aircraft engine overhauls of the current period which are transferred to balance sheet subaccounts 1601.2 Unamortized Airframe Overhauls or 1602.2 Unamortized Aircraft Engine Overhauls. This account shall also include the amount of deferred overhauls costs being amortized for the current period. For carriers which elect to continue accruing for aircraft overhauls for aircraft types acquired before January 1, 1976, as well as for other aircraft of the same type acquired after January 1, 1976, the related provisions and charges shall be recorded in the appropriate subaccounts of this account.

(b) This account shall be subdivided as follows by all carrier groups:

72.1 Airworthiness Allowance Provisions—Airframes.

Record here current provisions for effecting an equitable distribution of airframe overhaul costs between different accounting periods. Record here also credits for airframe overhaul costs incurred in the current period which have been charged against related airworthiness allowances.

72.3 Airframe Overhauls Deferred.

Record here airframe overhauls of the current period transferred to subaccount 1601.2, Unamortized Airframe Overhauls, and the amount of deferred airframe overhaul costs amortized for the current period.

72.6 Airworthiness Allowance Provisions—Aircraft Engines.

Record here current provisions for effecting an equitable distribution of aircraft engine overhauls costs between different accounting periods. Record here also credits for aircraft engine overhaul costs incurred in the current period which have been charged against related airworthiness allowances.

72.8 Aircraft Engine Overhauls Deferred.

Record here airframe overhauls of the current period transferred to subaccount 1602.2, Unamortized Aircraft Engine Overhauls, and the amount of deferred aircraft engine overhaul costs amortized for the current period.

[ER-948, 41 FR 12295, Mar. 25, 1976, as amended by ER-1401, 50 FR 245, Jan. 3, 1985]

73 Provisions for Obsolescence and Deterioration—Expendable Parts.

(a) Where allowances for loss in value of flight equipment expendable parts are established, provisions for accruals to such allowances shall be charged to this account and credited to balance sheet account 1311 Allowance for Obsolescence in accordance with the provisions of that account.

(b) This account shall be subdivided as follows by all air carrier groups:

73.1 Current provisions. Record here provisions during the current period for losses in value of expendable parts.

73.2 Inventory decline credits. Record here credits applicable to the current period for any adjustments for excess inventory allowance levels determined pursuant to section 6-1311.

[ER-980, 42 FR 37, Jan. 3, 1977]

74 Amortization.

(a) Record here amortization of deferred changes attaching to the air transportation services conducted by the air carrier which are not prepayments of recurrent expenses ordinarily requiring expenditures of working capital within one year.

(b) This account shall be subdivided as follows by all air carrier groups:

74.1 Developmental and Preoperating Expenses
Record here amortization of the cost of projects carried in balance sheet account 1830 Unamortized Developmental and Preoperating Costs.

74.2 Other Intangibles.

Record here mortization of the cost of intangibles not provided for otherwise.

[ER–755, 37 FR 19726, Sept. 21, 1972, as amended by ER–980, 42 FR 38, Jan. 3, 1977; Amdt. 241–58, 54 FR 5596, Feb. 6, 1989]

75 Depreciation.

(a) Record here provisions for depreciation of property and equipment carried in balance sheet accounts 1601 through 1640, inclusive.

(b) This account shall be subdivided as follows:

ALL AIR CARRIER GROUPS

75.1 Depreciation—Airframes.

Record here provisions for depreciation of property and equipment carried in balance subaccount 1601.1 Airframes.

75.2 Depreciation—Aircraft Engines.

Record here provisions for depreciation of property and equipment carried in balance sheet subaccount 1602.1 Aircraft Engines.

GROUP II AND GROUP III AIR CARRIERS

75.3 Depreciation—Airframe Parts.

Record here provisions for depreciation of spare airframe instruments and parts carried in balance sheet subaccount 1608.1 Airframe Parts and Assemblies.

75.4 Depreciation—Aircraft Engine Parts.

Record here provisions for depreciation of spare aircraft engine instruments and parts carried in balance sheet subaccount 1608.5 Aircraft Engine Parts and Assemblies.

ALL AIR CARRIER GROUPS

75.5 Depreciation—Other Flight Equipment.

Record here provisions for depreciation of property and equipment carried in balance sheet account 1607 Improvements to Leased Flight Equipment (exclusive of capitalized overhauls accounted for on a deferral and amortization basis) and balance sheet subaccount 1608.9 Other Parts and Assemblies. Group I air carriers shall also include in this subaccount provisions for depreciation of property carried in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies.

75.6 Depreciation—Flight Equipment.

This classification is established only for purposes of control by the BTS and shall include all charges to operating expenses for depreciation of flight equipment of all types and classes.

75.8 Depreciation—Maintenance Equipment and Hangars.

Record here provisions for depreciation of maintenance property and equipment included in balance sheet accounts 1630 Equipment, 1639 Improvements to Leased Buildings and Equipment, and 1640.1 Maintenance Buildings and Improvements.

75.9 Depreciation—General Ground Property.

Record here provisions for depreciation of property and equipment included in balance of property and equipment included in balance sheet accounts 1630 through 1640, exclusive of provision for depreciation of maintenance property and equipment included in account 75.8.

[ER–755, 37 FR 19726, Sept. 21, 1972, as amended by ER–948, 41 FR 12296, Mar. 25, 1976; ER–980, 42 FR 38, Jan. 3, 1977; 60 FR 66723, Dec. 26, 1995]

76 Amortization Expense—Capital Leases.

(a) Record here amortization charges applicable to assets recorded under capital leases in Account 1695 — Leased Property under Capital Leases.

(b) This account shall be subdivided as follows by all air carrier groups:

76.1 Amortization—Capitalized Flight Equipment.

Record here amortization charges applicable to flight equipment acquired under capital leases.

76.2 Amortization—Capitalized Other Property and Equipment.

Record here the amortization charges applicable to property and equipment, other than flight equipment, acquired under capital leases.

[ER–1401, 50 FR 245, Jan. 3, 1985]

77 Uncleared Expense Credits.

(a) Record here credits to operating expenses, which have not been cleared to the objective accounts to which applicable.

(b) Each air carrier shall credit, or charge as appropriate, the objective account prescribed for each expense element which may be involved in distribution of expenses between separate reporting entities or nontransport divisions of the air carrier. At the option of the air carrier, either the individual applicable objective accounts or this account may be credited with amounts capitalized, charged against incidental services, or otherwise assigned to other than separate operating entities of the

air carrier provided the aggregate credits to this account in each function do not, for any accounting year, distort the individual objective accounts of the function to which related and all expense credits applicable to complete individual transactions are consistently credited either to this account or the individual objective accounts to which related. Each air carrier using this account shall establish such standard practices as may be prescribed by the BTS or, in the absence of such action by the Civil Aeronautics Board, such standard practices as will prevent credits to this account from significantly distorting the individual objective accounts of each function to which related.

(c) This account shall not be credited with amounts applicable to objective accounts of the Flying Operations, Depreciation, and Direct Maintenance functions. Credits applicable to such functions shall be carried to the individual objective accounts to which applicable.

(d) This account shall be subdivided as follows by all air carrier groups:

77.8 *Uncleared Interchange Expense Credits.*

Record here credits to operating expenses, from operations performed for others under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

77.9 *Other Uncleared Expense Credits.*

Record here credits to operating expenses, from other than operations under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

78 Direct Maintenance—Flight Equipment.

This classification is established for purposes of control by the BTS and shall include all charges to operating expenses for maintenance of flight equipment of all types and classes.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

79 Applied Burden Debit/Credit.

(a) This classification is established only for purposes of control by the BTS and reporting on Form 41 by air car-

riers, and shall reflect all maintenance burden applied in accordance with the provisions of section 24, schedule P-5 of this system of accounts and reports.

(b) This classification shall be subdivided as follows by all air carrier groups:

79.6 Applied Burden—Flight Equipment.

79.8 Applied Burden—General Ground Property.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-979, 38 FR 10926, May 3, 1973; 60 FR 66723, Dec. 26, 1995]

Section 14—Objective Classification—Nonoperating Income and Expense

80 Interest Income.

Included under account 89 Other Nonoperating Income and Expense—Net.

[ER-1401, 50 FR 245, Jan. 3, 1985]

81 Interest on Long-term Debt and Capital Leases.

(a) Record here interest expense applicable to long-term debt and capitalized leases.

(b) This account shall be subdivided as follows by all air carrier groups:

81.1 *Interest expense—long-term debt.*

Record here interest on all classes of long-term debt. This includes interest expense applicable to all portions of long-term debt which are classified as either current (Account 2000) or long-term (Account 2210) for balance sheet classification purposes.

81.2 *Interest expense—capital leases.*

Record here for all capitalized leases, that portion of each lease payment which represents interest expense.

[ER-1013, 42 FR 37516, July 21, 1977]

82 Other Interest.

(a) This account shall be subdivided as follows by all air carrier groups:

82.1 *Interest Expense—Short-Term Debt.*

Record here interest on all classes of short-term debt.

83.1 *Imputed Interest Capitalized—Credit.*

Record here credits related to imputed interest capitalized and recorded in asset accounts.

83.2 *Imputed Interest Deferred—Debit.*

Record here debits related to imputed interest deferred in balance sheet account 2390, Other deferred credits.

83.3 Imputed Interest Deferred—Credit.

Record here periodic credits for imputed interest, cleared to this account as the amount of such interest in the asset accounts is amortized.

83.4 Interest Capitalized—Credit.

Record here interest which is capitalized and recorded in asset accounts.

84.1 Amortization of discount and expense on debt.

Record here for all classes of debt the amortizations of discount and expense on short-term and long-term obligations.

84.2 Amortization of premium on debt.

Record here for all classes of debt the amortizations of premium on short-term and long-term obligations.

(b) [Reserved]

[ER-1401, 50 FR 245, Jan. 3, 1985, as amended by Amdt. 241-58, 54 FR 5596, Feb. 6, 1989]

83 Capitalized Interest.

Included under account 82 Other Interest.

[ER-1401, 50 FR 245, Jan. 3, 1985]

84 Amortization of Debt Discount, Premium and Expense.

Included under account 82 Other Interest.

[ER-1401, 50 FR 245, Jan. 3, 1985]

85 Foreign exchange gains and losses.

Record here gains and losses from transactions involving currency translations resulting from nonroutine abnormal changes in rates of foreign exchange and gains or losses which arise from translations of long-term debt principal and interest transactions.

[Amdt. 241-58, 54 FR 5596, Feb. 6, 1989]

86 Income from Nontransport Ventures.

Included under account 89 Other Non-Operating Income and Expense—Net.

[ER-980, 42 FR 38, Jan. 3, 1977]

87 Equity in Income of Investor Controlled Companies.

Included under account 89 Other Non-operating Income and Expense—Net.

[ER-1401, 50 FR 245, Jan. 3, 1985]

89 Other Nonoperating Income and Expense—Net.

(a) Record here all debits and credits of a nonoperating character which are not otherwise provided for in this section.

(b) This account shall be subdivided as follows by all air carrier groups:

80.0 Interest Income.

(a) Record here interest income from all sources. This account shall include as an increase or reduction of interest received the proportionate amortization of any discount or premium on the purchase price of securities of others held by the air carrier.

(b) This account shall not include interest on securities issued or assumed by the air carrier and subsequently reacquired.

86.0 Income from Nontransport Ventures.

(a) Record here the gross revenues and expenses applicable to operations not reasonably considered as incidental to the commercial air transport services of the accounting entity; rents from nonoperating properties used by others; income or loss from non-transport divisions; and other income or loss from activities of the air carrier which are extraneous to the air transport and incidental services of the accounting entity.

(b) This account shall include revenues and expenses applicable to nonscheduled transport services performed for the defense establishment when separate reports for such services are required in accordance with section 21 "Introduction to System of Reports." Where the foregoing transport services are not required to be separately reported, gross revenues from such services shall be included in profit and loss account 07 Charter, or other appropriate revenue account, and gross expenses shall be included in the appropriate operating expense functions.

87.0 Equity in Income of Investor Controlled Companies.

Record here the equity in the current earnings or losses of investor controlled companies. Dividends declared on the stock of such companies shall not be included in this account as income but shall be entered in balance sheet subaccount 1510.1 Investments in Investor Controlled Companies as a return on investment.

88.1 Intercompany Transaction Adjustment—Credit.

Record here all intercompany credits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated companies are initially recorded and are to be settled.

88.2 Dividend income.

Record here income from dividends declared on stocks of other than investor controlled companies. Dividends declared on stock of investor controlled companies shall not be included in this account but shall be entered in balance sheet subaccount 1510.1 Investments in Investor Controlled Companies.

88.3 *Net Unrealized Gain or Loss on Marketable Equity Securities.*

Record here the net unrealized gain or loss on the valuation of marketable equity securities.

88.4 *Net Realized Gain or Loss on Marketable Equity Securities.*

Record here the net realized gain or loss on the valuation of marketable equity securities.

88.5 *Capital gains and losses—operating property.*

Record here gains or losses on retirements of operating property and equipment, flight equipment expendable parts, or miscellaneous materials and supplies sold or otherwise retired in connection with a general retirement program as opposed to incidental sales performed as a service to others.

88.6 *Capital gains and losses—other.*

Record here gains or losses not required to be reported in accounts 88.3, 88.4 and 88.5 such as gains or losses on retirement of nonoperating property and equipment, investments in other than marketable equity securities, and the transfer of assets in a troubled debt restructuring.

88.7 *Unapplied cash discounts.*

Record here cash discounts on routine purchases of materials, repair parts or supplies. Cash discounts on classes of assets included in property and equipment accounts shall not be recorded in this account but shall be applied as a reduction of the cost of such accounts.

88.9 *Other miscellaneous nonoperating credits.*

Record here all credits of a nonoperating character not provided for otherwise, such as royalties from patents, gains from reacquisition and retirement or resale of debt securities issued by the air carrier, and gains resulting from troubled debt restructurings.

89.1 *Intercompany Transaction Adjustment—Debit.*

Record here all intercompany debits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated compa-

nies are initially recorded and are to be settled.

89.9 *Other Miscellaneous Nonoperating Debits.*

Record here all debits of a nonoperating character not provided for otherwise, such as the following:

(a) Fines or penalties imposed by governmental authorities;

(b) Costs associated with employment discrimination that include the following:

(1) Fines or penalties paid by the carrier as a result of a judicial or administrative decree; or the amount paid to the complainant in settling or securing a consent decree;

(2) Back pay awards as a result of a judicial or administrative decree or a compromise settlement regardless of admission of guilt;

(3) Attorneys' fees or court costs awarded to the complainant by a judicial or administrative decree or as a result of a compromise settlement regardless of admission of guilt;

(4) The fees of outside legal counsel or of experts retained in the unsuccessful defense of a discrimination suit or in securing a compromise settlement or consent decree, unless the amounts attributable to the discrimination are not reasonably identifiable; or

(5) Any other expenses, such as employee salaries, resulting from employment practices that were found to be discriminatory or that were the subject of a compromise settlement or consent decree where the amounts attributable to discrimination are reasonably identifiable.

(c) Amortization expense attributable to capital leases recorded in balance sheet Account 1795, Leased Property under Capital Leases;

(d) Costs related to property held for future use;

(e) Donations for charitable, social or community welfare purposes;

(f) Losses on reacquired and retired or resold debt securities of the air carrier;

(g) Losses resulting from troubled debt restructurings;

(h) Losses on uncollectible nonoperating receivables; or

(i) Accruals to allowance for uncollectible nonoperating receivables.

(Secs. 204, 404, 407, and 1002 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 760, 766, 788, (49 U.S.C. 1324, 1374, 1377, 1482))

[ER-980, 42 FR 38, Jan. 3, 1977, as amended by ER-1013, 42 FR 37516, July 21, 1977; ER-1027, 42 FR 60128, Nov. 25, 1977; ER-1076, 43 FR 46296, Oct. 6, 1978; ER-1401, 50 FR 245, Jan. 3, 1985; Amdt. 241-58, 54 FR 5596, Feb. 6, 1989]

Section 15—Objective Classification—Income Taxes for Current Period

91 Provision for Income Taxes.

(a) Record here quarterly provisions for accruals of Federal, State, local, and foreign taxes based upon net income, computed at the normal tax and surtax rates in effect during the current accounting year. In general, this account shall reflect provisions within each period for currently accruing tax liabilities as actually or constructively computed on tax returns, and any subsequent adjustments. This account shall include credits for refund claims arising from the carryback of losses in the year in which the loss occurs, credits for the carry-forward of losses in the year to which the loss is carried, and investment tax credits in the year in which each credit is utilized to reduce the liability for income taxes.

(b) Income taxes shall be allocated among the transport entities of the air carrier, its nontransport divisions, and members of an affiliated group. Under circumstances in which income taxes are determined on a consolidated basis by an air carrier and other members of an affiliated group, the income tax expense to be recorded by the air carrier shall be the same as would result if determined for the air carrier separately for all time periods, except that the tax effect of carryback and carryforward operating losses, investment tax credits, or other tax credits generated by operations of the air carrier shall be recorded by the air carrier during the period in which applied in settlement of the taxes otherwise attributable to any member, or combination of members, of the affiliated group. Any difference between the income tax so recorded and the amount at which settlement is to be made shall be recorded in subaccount 88.1 Intercompany Transaction Adjustment—Credit or in subaccount 89.1 Intercompany Transaction Adjustment—Debit, as is appropriate.

(c) This account shall be subdivided as follows by all carrier groups:

91.1 *Income Taxes Before Investment Tax Credits.*

Record here accruals of income taxes based upon taxable income of the period.

91.2 *Investment Tax Credits Utilized.*

Record here investment tax credits utilized to reduce the accrued liability for income taxes.

[Amdt. 241–58, 54 FR 5596, Feb. 6, 1989]

92 Provisions for Deferred Income Taxes.

(a) Record here income tax debits and credits deferred in accordance with the provisions of balance sheet account 2340 Deferred Income Taxes for all material timing differences.

(b) This account shall be subdivided as follows by all air carrier groups:

92.1 *Current Provisions for Deferred Taxes.*

92.2 *Application of Taxes Deferred.*

92.3 *Adjustments of Deferred Taxes.*

[ER–948, 41 FR 12296, Mar. 25, 1976]

93 Investment Tax Credits Deferred and Amortized.

(a) Record here investment tax credits of the current period which are transferred to balance sheet account 2345 Deferred Investment Tax Credits in accordance with the provisions of balance sheet account 2130 Accrued Taxes. This account shall also include amounts for previously deferred investment tax credits amortized during the current period.

(b) This account shall be subdivided as follows by all carrier groups:

93.1 *Investment Tax Credits Deferred.*

93.2 *Amortization of Deferred Investment Tax Credits.*

[ER–755, 37 FR 19726, Sept. 21, 1972, as amended by ER–980, 42 FR 39, Jan. 3, 1977]

Section 16—Objective Classification—Discontinued Operations

95 Discontinued Operations.

(a) Record here the earnings (losses) of discontinued nontransport operations. For the purposes of this system of accounts and reports discontinued operations shall refer to the disposal of investor controlled companies and nontransport ventures whether sold, abandoned, spun off, or otherwise disposed of. This account shall not include earnings or losses from discontinued transport or transport-related operations.

(b) This account shall be subdivided as follows by all air carrier groups:

95.1 *Income from Discontinued Operations.*

Record here the results of operations of the discontinued operations.

95.2 Loss of Disposal of Discontinued Operations.

Record here the gain or loss on the disposal of an operation. If loss is anticipated it should be provided for at the measurement date. If gain is anticipated it should be recognized when realized.

[ER-948, 41 FR 12296, Mar. 25, 1976]

Section 17—Objective Classification—Extraordinary Items

96 Extraordinary Items.

Record here material items characterized by their unusual nature and infrequent occurrence. Events or transactions which are material and either unusual or nonrecurring, but not both, shall be recorded in the profit and loss accounts to which they relate and disclosed on BTS Form 41 Schedule P-2 with identification as to their nature and financial effects.

[Amdt. 241-58, 54 FR 5596, Feb. 6, 1989, as amended at 60 FR 66723, Dec. 26, 1995]

97 Income Taxes Applicable to Extraordinary Items.

Record here income taxes allocable to items of income included in profit and loss account 96 Extraordinary Items and income tax assessments that do not constitute ordinary adjustments of a recurrent nature. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each extraordinary credit and each extraordinary debit.

[ER-948, 41 FR 12296, Mar. 25, 1976]

Section 18—Objective Classification—Cumulative Effect of Changes in Accounting Principles

98 Cumulative Effect of Changes in Accounting Principles.

Record here the difference between the amount of retained earnings at the beginning of the period of a change in accounting principle and the amount of retained earnings that would have been reported at that date if the new accounting principle had been applied

retroactively for all periods which would have been affected and by recognizing only the direct effects of a change and the related income tax effect.

[ER-948, 41 FR 12296, Mar. 25, 1976]

OPERATING STATISTICS CLASSIFICATIONS

Section 19—Uniform Classification of Operating Statistics

Sec. 19-1 Applicability.

(a) *United States air carrier.* Each large certificated U.S. air carrier shall file with the Department, on a monthly basis, Form 41 Schedule T-100 "U.S. Air Carrier Traffic and Capacity Data By Nonstop Segment and On-flight Market," and summary data as prescribed in this section and in sections 22 and 25 of this part. A carrier conducting only domestic all-cargo operations under 49 U.S.C. 41103 is not required to file Schedule T-100. The "Instructions to U.S. Air Carriers for Reporting Traffic and Capacity Data on Form 41 Schedules T-100, T-1, T-2 and T-3" (Instructions-U.S. Air Carriers) are contained in the Appendix to section 25 of this part.

(b) *Foreign (non-U.S.) air carrier.* Each foreign air carrier as required by part 217 of this chapter shall file Form 41 Schedule T-100(f) "Foreign Air Carrier Traffic Data by Nonstop Segment and On-flight Market." The "Instructions to Foreign Air Carriers for Reporting Traffic Data on Form 41 Schedule T-100(f)," (Instructions-Foreign Air Carriers) are included in the Appendix to §217.10 of this chapter.

(c) Each U.S. air carrier shall use magnetic computer tape or "floppy disc" for transmitting the prescribed data to the Department. Upon good cause shown, OAI may approve the request of a U.S. air carrier, under section 1-2 of this part, to use hardcopy data input forms.

(d) On-flight market and nonstop segment detail data by carrier shall be made public only as provided in section 19-6.

[53 FR 46305, Nov. 16, 1988; 53 FR 52404, Dec. 28, 1988, as amended at 60 FR 66723, Dec. 26, 1995]

Sec. 19-2 Maintenance of data.

(a) Each air carrier required to file Form 41 Schedule T-100 data shall maintain its operating statistics, covering the movement of traffic in accordance with the uniform classifications prescribed. Codes are prescribed for each operating element and service class. All traffic statistics shall be compiled in terms of each flight stage as actually performed.

(b) Each carrier shall maintain data applicable to the specified traffic and capacity elements prescribed in section 19-5 and section 25, and by general service classes prescribed in section 19-4 of this part.

(c) Operating statistics shall be maintained in accordance with the type of record, either nonstop segment or on-flight market.

Sec. 19-3 Accessibility and transmittal of data.

(a) Each reporting air carrier shall maintain its prescribed operating statistics in a manner and at such locations as will permit ready accessibility for examination by representatives of the Department. The record retention requirements are prescribed in part 249 of this chapter.

(b) Individual nonstop segment and on-flight market data for section 418 domestic all-cargo, domestic charter and military charter operations are not required to be reported on the Schedule T-100, but summary data for such operations shall be included in the T-1, T-2 and T-3 schedules that each U.S. air carrier shall transmit to the Department on a monthly or quarterly basis as prescribed in sections 22 and 25. For international military charters, only the U.S. airports are reported on Schedule T-3, and the foreign airports are combined and reported on a single line, as Airport "NON." International civilian charter and civilian all-cargo operations shall be reported in the T-100 data format, by nonstop segment and on-flight market.

(c) Form 41 Schedule T-100 reports shall be transmitted in accordance with the standard practices established by the Department, and must be received by the Department within 30 days following the end of each reporting month.

Sec. 19-4 Service classes.

The statistical classifications are designed to reflect the operating elements attributable to each distinctive class of service offered. The operating elements shall be grouped in accordance with their inherent characteristics as follows:

(a) *Scheduled services.* Scheduled services shall include traffic and capacity elements applicable to air transportation provided pursuant to published schedules and extra sections to scheduled flights. Scheduled Passenger/Cargo (Service Class F) is a composite of first class, coach, and mixed passenger/cargo service. The following classifications shall be reported, as applicable:

U.S. Air Carriers:

K—Scheduled Services (F+G)
F—Scheduled Passenger/Cargo
G—Scheduled All-Cargo

Foreign Air Carriers:

F—Scheduled Passenger/Cargo
G—Scheduled All-Cargo

(b) *Nonscheduled services.* Nonscheduled services shall include all traffic and capacity elements applicable to the performance of nonscheduled aircraft charters, and other air transportation services not constituting an integral part of services performed pursuant to published flight schedules. The following classifications shall be reported, as applicable:

U.S. Air Carriers:

V—Nonscheduled Services
(L+N+P+R)

L—Nonscheduled Civilian Passenger/Cargo

P—Nonscheduled Civilian Cargo

N—Nonscheduled Military Passenger/Cargo

R—Nonscheduled Military Cargo

Foreign Air Carriers:

L—Nonscheduled Civilian Passenger/Cargo

P—Nonscheduled Civilian All-Cargo Charters

Q—Nonscheduled Services (Other than Charter)

(c) *All Services.* This classification shall reflect, for the applicable elements, the aggregate amounts for all services performed by the operating entity:

U.S. Air Carriers:

Z—All Services (V+K)

Sec. 19-5 Air transport traffic and capacity elements.

(a) Within each of the service classifications prescribed in section 19-4,

data shall be reported as applicable to specified air transport traffic and capacity elements.

(b) These reported items are as follows:

Code	Description	Type of Record		Applicable Form 41 Schedule Number
		Segment	Market	
	Carrier, carrier entity code	S	M	T-100(f)1,2,3
	Reporting period date	S	M	T-100(f)1,2,3
	Origin airport code	S	M	T-100(f)3
	Destination airport code	S	M	T-100(f)
	Service class code	S	M	T-100(f)1,2,3
	Aircraft type code	S	M	T-100(f)1,2,3
110	Revenue passengers enplaned		M	T-100(f)1,3
111	Total psgrs. in market—first cabin		M	T-100
113	Total psgrs. in market—middle cabin		M	T-100
112	Total psgrs. in market—coach cabin		M	T-100
130	Revenue passengers transported	S		T-100(f)
131	Passengers transported—first cabin	S		T-100
133	Passengers transported—middle cabin	S		T-100
132	Passengers transported—coach cabin	S		T-100
140	Revenue passenger-miles			CFD* 1,2
210	Revenue cargo tons enplaned			CFD*
217	Enplaned freight		M	T-100(f),3
219	Enplaned mail		M	T-100 3
230	Revenue tons transported			CFD*
237	Transported freight	S		T-100(f)
239	Transported mail	S		T-100
240	Revenue ton-miles			CFD* 1,2
241	Revenue ton-miles passenger			CFD* 1
247	Revenue ton-miles freight			CFD* 1,2
249	Revenue ton-miles mail			CFD* 1,2
270	Available capacity payload	S		T-100
280	Available ton-miles			CFD* 1,2
310	Available seats, total	S		T-100
311	Available seats—first cabin	S		T-100
313	Available seats—middle cabin	S		T-100
312	Available seats—coach cabin	S		T-100
320	Available seat-miles			CFD* 1,2
410	Revenue aircraft miles flown			CFD* 1,2
430	Revenue aircraft miles scheduled			CFD* 1
501	Interairport distance			CFD* 2
510	Revenue aircraft departures performed	S		T-100(f)1,2,3
520	Revenue aircraft departures scheduled	S		T-100 3
610	Revenue aircraft hours (airborne)	S		T-100 1,2
630	Aircraft hours (ramp-to-ramp)	S		T-100 1,2
650	Total aircraft hours (airborne)			2
810	Aircraft days assigned to service-equip.			2
820	Aircraft days assigned to service-routes			2
921	Aircraft fuels issued (U.S. gallons)			2

*CFD = Computed by DOT from detail Schedule T-100 and T-100(f) data.

T-100 = Form 41 Schedule T-100 for U.S. air carriers

(f) = Form 41 Schedule T-100(f) for foreign air carriers

1 = Form 41 Schedule T-1; 2 = Schedule T-2; 3 = Schedule T-3

NOTE: Cabin data are reported only in Group III international operations; in all other instances, totals are reported in items 110, 130 and 310.

(c) These reported items are further described as follows:

(1) *Reporting period date.* The year and month or quarter to which the reported data are applicable.(2) *Carrier, Carrier entity code.* Each foreign air carrier shall report its name and code (assigned by DOT). Each U.S. air carrier shall report its name and

entity code (a five digit code assigned by DOT that identifies both the carrier and its entity) for its particular operations. The Office of Airline Information (OAI) will assign or confirm codes upon request; OAI's address is in the Appendix to section 25 of this part and the Appendix to §217.10 of this chapter.

(3) *Service class code.* The service class codes are prescribed in section 19-4 of this part. In general, classes are divided into two broad categories, either K (scheduled) or V (nonscheduled), where K=F+G for all carriers and V=L+N+P+R for U.S. air carriers and comprises L+P and Q for foreign air carriers. Refer to section 19-4 for the more information on service class codes F, G, L, N, P, R and Q.

(4) *Record type code.* This code indicates whether the data pertain to non-stop segment (record type S) or on-flight market (record type M).

(5) *Aircraft type code.* This code represents the aircraft types, as described in the Appendix to section 25 of this part.

(6) *Origin, Destination airport code(s).* These codes represent the industry designators described in the Appendix to section 25 of this part. A common private industry source of these industry designator codes is the *Official Airline Guides* (OAG). OAI will assign codes upon request if not listed in the OAG.

(7) *110 Revenue passengers enplaned.* The total number of revenue passengers enplaned at the origin point of a flight, boarding the flight for the first time; an unduplicated count of passengers in a market. Under the T-100 system of reporting, these enplaned passengers are the sum of the passengers in the individual on-flight markets. In the domestic entity, report only the total revenue passengers enplaned in item 110. Nonscheduled revenue passengers enplaned in any entity are reported in item 110. Cabin data (items 111 First, 112 Coach and 113 Middle, sometimes referred to as business class) are reported only for international operations of Group III air carriers; in all other instances, item 110 Revenue passengers enplaned is reported on Form 41 Schedule T-100 in column C-1, as follows.

Col.	Group III International Entity		
C-1 111	Revenue psgrs. enplaned-total	psgrs. in	market-first cabin.
C-2 113	Revenue psgrs. enplaned-total	psgrs. in	market-middle cabin.
C-3 112	Revenue psgrs. enplaned-total	psgrs. in	market-coach cabin.
All Other Carrier Groups and Entities			
C-1 110	Revenue passengers enplaned.		

(8) *130 Revenue passengers transported.* The total number of revenue passengers transported over single flight stage, including those already on board the aircraft from a previous flight stage. In the domestic entity, report only the total revenue passengers transported in item 130. Nonscheduled revenue passengers transported in any entity are reported in item 130. Cabin data (items 131 First, 132 Coach and 133 Middle) are reported only for international operations of Group III air carriers; in all other instances, item 130 Revenue passengers transported is reported on Form 41 Schedule T-100 in column B-7, as follows.

Col.	Group III International Entity		
B-7 131	Revenue psgrs. transp.-total	psgrs. transp.-	first cabin.
B-8 133	Revenue psgrs. transp.-total	psgrs. transp.-	middle cabin.
B-9 132	Revenue psgrs. transp.-total	psgrs. transp.-	coach cabin.
All Other Carrier Groups and Entities			
B-7 130	Revenue passengers transported.		

(9) *140 Revenue passenger-miles.* Computed by multiplying the interairport distance of each flight stage by the number of passengers transported on that flight stage.

(10) *210 Revenue cargo tons enplaned.* The total number of cargo tons enplaned. This data element is a sum of the individual on-flight market figures for each of the following categories: 217 Freight and 219 mail. This element represents an unduplicated count of the revenue traffic in a market.

(11) *230 Revenue tons transported.* The number of tons of revenue traffic transported. This element is the sum of the following elements: 231 Passengers transported-total, 237 Freight, and 239 Mail.

(12) *240 Revenue ton-miles—total.* Ton-miles are computed by multiplying the revenue aircraft miles flown (410) on each flight stage by the number of tons transported on that stage. This element is the sum of 241 through 249.

(13) *241 Revenue ton-miles—passenger.* Equals the number of passengers times 200, times interairport distance, divided by 2000. A standard weight of 200 pounds per passenger, including baggage, is used for all operations and service classes.

(14) *247 Revenue ton-miles—freight.* Equals the volume of freight in whole tons times the interairport distance.

(15) *249 Revenue ton-miles—mail.* Equals the volume of mail in whole tons times the interairport distance.

(16) *270 Available capacity-payload.* The available capacity is collected in pounds. This figure shall reflect the payload or total available capacity for passengers, mail and freight applicable to the aircraft with which each flight stage is performed.

(17) *280 Available ton-miles.* The aircraft miles flown on each flight stage multiplied by the available capacity on the aircraft in tons.

(18) *310 Available seats.* The number of seats available for sale. This figure reflects the actual number of seats available, excluding those blocked for safety or operational reasons. In the domestic entity, report the total available seats in item 130. Nonscheduled available seats in any entity are reported in item 130. Cabin data (items 311 First, 312 Coach and 313 Middle) are reported only for international operations of Group III air carriers; in all other instances, item 310 Available seats, total is reported on Form 41 Schedule T-100 in column B-4, as follows.

Col.	Group III International Entity
B-4 311	Available seats-first cabin.
B-5 313	Available seats-middle cabin.
B-6 312	Available seats-coach cabin.
All Other Carrier Groups and Entities	
B-4 310	Available seats, total.

(19) *320 Available seat-miles.* The aircraft miles flown on each flight stage multiplied by the seat capacity available for sale.

(20) *410 Revenue aircraft miles flown.* Revenue aircraft miles flown are computed in accordance with the airport pairs between which service is actually performed; miles are generated from the data for scheduled aircraft departures (Code 520) times the interairport distances (Code 501).

(21) *430 Revenue aircraft miles scheduled.* The number of revenue aircraft miles scheduled. All such data shall be maintained in conformity with the airport pairs between which service is scheduled, whether or not in accordance with actual performance.

(22) *501 Interairport distance.* The great circle distance, in official statute miles as prescribed in part 247 of this chapter, between airports served by each flight stage. Official interairport mileage may be obtained from the Office of Airline Information at the address included in section 25 of this part.

(23) *Revenue aircraft departures performed.* The number of revenue aircraft departures performed.

(24) *520 Revenue aircraft departures scheduled.* The number of revenue aircraft departures scheduled, whether or not actually performed.

(25) *610 Revenue aircraft hours (airborne).* The elapsed time, computed from the moment the aircraft leaves the ground until its next landing.

(26) *630 Aircraft hours (ramp-to-ramp).* The elapsed time, computed from the moment the aircraft first moves under its own power from the boarding ramp at one airport to the time it comes to rest at the ramp for the next point of landing. This data element is also referred to as "block" and block-to-block aircraft hours.

(27) *650 Total aircraft hours (airborne).* The elapsed time, computed from the moment the aircraft leaves the ground until it touches down at the next landing. This includes flight training, testing, and ferry flights.

(28) *810 Aircraft days assigned to service—carrier's equipment.* The number of days that aircraft owned or acquired through rental or lease (but not interchange) are in the possession of the reporting air carrier and are available for service on the reporting carrier's routes plus the number of days such aircraft are in service on routes of others under interchange agreements. Includes days in overhaul, or temporarily out of service due to schedule cancellations. Excludes days that newly acquired aircraft are on hand, but not available for productive use, days rented or leased to others (for other than interchange) and days in possession but formally withdrawn from air transportation service.

(29) *820 Aircraft days assigned to service—carrier's routes.* The same as "aircraft days assigned to service—carrier's equipment," but excluding the number of days that the reporting carrier's owned or rented equipment are in

the possession of others under interchange agreements and including the number of days aircraft of others are in the possession of the reporting air carrier under interchange agreements.

(30) *921 Aircraft fuels issued (gallons).* The amount of aircraft fuels issued, in U.S. gallons, during the reporting period for both revenue and nonrevenue flights.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by Amdt. 241-58, 54 FR 7184, Feb. 17, 1989; 60 FR 66723, Dec. 26, 1995]

Section 19-6 Public disclosure of traffic data.

(a) Detailed domestic on-flight market and nonstop segment data in Schedule T-100 shall be made publicly available after processing. Domestic data are defined as data from air transportation operations from a place in any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the Virgin Islands, or a U.S. territory or possession to a place in any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the Virgin Islands, or a U.S. territory or possession.

(b) Detailed international on-flight market and nonstop segment data in Schedule T-100 and Schedule T-100(f) reports shall not be publicly available for a period of 3 years, although industry and carrier summary data may be made public provided there are three or more carriers in the summary data disclosed. Further, at any time, the Department may publish international summary statistics without carrier detail. Further, the Department may release nonstop segment and on-flight market detail data by carrier before the end of the 3 years as follows:

(1) To foreign governments as provided in reciprocal arrangements between the foreign country and U.S. Government for exchange of on-flight market and/or nonstop segment data submitted by air carriers of that foreign country and U.S. carriers serving that foreign country;

(2) To parties to any proceeding before the Department under Title IV of the Federal Aviation Act of 1958, as amended, as required by the Administrative Law Judge or other

decisionmaker of the Department. Parties may designate agents or consultants to receive the data in their behalf, provided the agents or consultants agree to abide by the disclosure restrictions. Any data to which access is granted pursuant to this provision may be introduced into evidence, subject to the normal rules of admissibility of evidence.

(3) To agencies and other components of the U.S. Government for their internal use only.

[Amdt. 241-59, 56 FR 2845, Jan 25, 1991]

Sec. 19-7 Passenger origin-destination survey.

(a) All U.S. large certificated air carriers conducting scheduled passenger operations (except helicopter carriers) shall participate in a Passenger Origin-Destination (O & D) Survey covering domestic and international operations, as described in the instructions manual entitled, *Instructions to Air Carriers for Collecting and Reporting Passenger Origin-Destination Survey Statistics* (Appendix A to this section), and in *Passenger Origin-Destination Directives* issued by the Department's Bureau of Transportation Statistics (BTS), Office of Airline Information (OAI). Copies of these *Instructions* and *Directives* are provided to each large carrier participating in the Survey. Copies are also available from the Office of Airline Information, K-25, Room 4125, U.S. Department of Transportation, 400 Seventh St., SW., Washington, DC 20590.

(b) Those participating air carriers having access to automatic data processing (ADP) services must utilize magnetic tape, floppy discs or other ADP media for transmitting the prescribed data. Those carriers without ADP capability will use BTS Form 2787. Before the initial submission of floppy discs, carrier should contact the Director of the Office of Airline Information at the address in paragraph (a) of this section to set the necessary procedures in motion.

(c) A statistically valid sample of light coupons shall be selected for reporting purposes. The sample shall consist of at least 1 percent of the total lifted ticket flight coupons for all large

domestic markets listed in the Instructions and 10 percent for all others—including domestic and international markets. The sample shall be selected and reported in accordance with the requirements of paragraph (a) of their section, except that the participating O & D carriers with nonstandard ticketing procedures, or other special operating characteristics, may propose alternative procedures. Such departures from standard O & D Survey practices shall not be authorized unless approved in writing by the Director, Office of Airline Information under the procedures in Sec. 1-2 of 14 CFR part 241. The data to be recorded and reported from selected lifted ticket flight coupons, as stipulated in the *Instructions* and *Directives* shall include the following data elements: Point of origin, carrier on each flight-coupon stage, fare-basis code for each flight-coupon stage, points of stopover or connection (interline and intraline), point of destination, number of passengers, and total dollar value of ticket (fare plus tax).

(d) Data covering the operations of foreign air carriers that are similar to the information collected in the Passenger Origin-Destination Survey are generally not available to the Department, the U.S. carriers, or U.S. interests. Therefore, because of the damaging competitive impact on U.S. carriers and the adverse effect upon the public interest that would result from unilateral disclosure of the U.S. survey data, the Department has determined its policy to be that the international data in the Passenger Origin-Destination Survey shall be disclosed only as follows:

(1) To an air carrier directly participating in and contributing input data to the Survey or to a legal or consulting firm designated by an air carrier to use on its behalf O & D data in connection with a specific assignment by such carrier.

(2) To parties to any proceeding before the Department to the extent that such data are relevant and material to the issues in the proceeding upon a determination to this effect by the Administrative Law Judge or by the Department's decision-maker. Any data to which access is granted pursuant to this section may be introduced into evidence subject to the normal rules of admissibility of evidence.

(3) To agencies and other components of the U.S. Government.

(4) To other persons upon a showing that the release of the data will serve specifically identified needs of U.S. users which are consistent with U.S. interests.

(5) To foreign governments and foreign users as provided in formal reciprocal arrangements between the foreign and U.S. governments for the exchange of comparable O & D data.

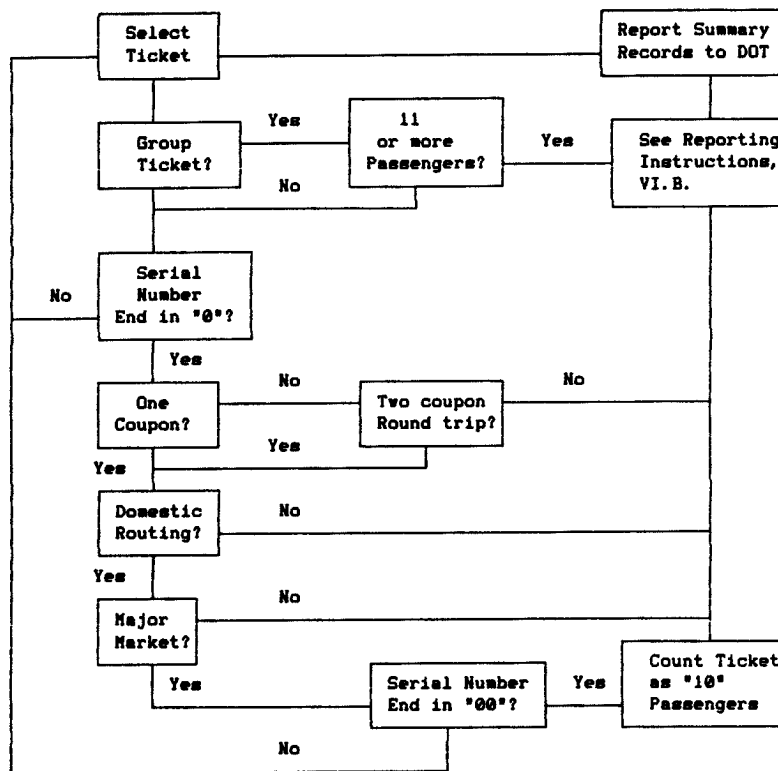
(e) The Department reserves the right to make such other disclosures of the O & D data as is consistent with its regulatory functions and responsibilities.

APPENDIX A TO SEC. 19-7—INSTRUCTIONS TO AIR CARRIERS FOR COLLECTING AND REPORTING PASSENGER ORIGIN-DESTINATION SURVEY STATISTICS

All questions, comments, extension and waiver requests should be addressed to:

Office of Airline Information, K-25, Room 4125, U.S. Department of Transportation, 400 Seventh St., SW., Washington, DC 20590, Telephone (202) 366-9059.

I. GENERAL DESCRIPTION OF O&D SURVEY

A. Flow Chart of O&D Reporting From TicketsB. *Narrative Description*

A single O&D Survey is conducted continuously by the large U.S. certificated air carriers. Foreign air carriers do not directly participate in the Survey, although some of their data are captured in the Survey, since passengers who share a ticketed itinerary between a U.S. carrier and a foreign carrier may be sampled by the U.S. carrier. The authority for these instructions is found in 14 CFR part 241, section 19-7, and in the CAB Sunset Act of 1984 (Pub. L. 94-443).

The Survey samples revenue passenger trips moving in whole or in part on domestic and/or international scheduled services of the carriers participating in the Survey. In general, these requirements do not apply to small certificated, all-cargo and all charter carriers.

The source documents for the Survey data are passenger tickets. These data are collected from the "lifted" flight coupons of

tickets (a portion of a multi-part ticket booklet of three¹ or more coupons, including one for each stage of the passenger's trip itinerary which is lifted by the carrier as the passenger boards a particular flight segment).

The Survey data are taken from the coupon that is lifted by a participating carrier, unless it is apparent from the lifted coupon that another participating carrier has already recorded and reported the data, in which instance the ticket coupon is non-reportable for the second honoring/participating carrier. The complete passenger itinerary, and related data on type of fare and dollar value of the ticket, is recorded as one

¹Each ticket booklet is comprised of one or more *flight coupons* for passenger travel in a city-pair market, plus a *passenger coupon* (the traveler's receipt) and the *auditor coupon* (for the carrier's internal controls).

entry from the sampled, reportable flight coupon.

The recording of data from the sampled flight coupon normally consists of transcribing the information exactly as indicated on the ticket. The detail recorded for each trip shows the complete routing from the origin city (airport code) to the destination city (airport code) including, in sequence from the origin, each point of transfer and stop-over (intraline and interline), the summarized fare-basis code shown for each flight coupon stage of the itinerary, and the total dollar value of the fare and tax for the entire ticket.

Prior to 1987, the Survey was generally based on a 10-percent sample of passenger tickets. Beginning July 1, 1987, the Survey is collected primarily on the basis of a stratified, scientific sample of at least 1 percent of tickets in domestic major markets and 10 percent of tickets in all other domestic and in all international city-pair markets. The Survey data are taken from the selected flight coupons of the tickets sampled: single-coupon or double-coupon round trips in domestic major markets where the ticket serial number ends in double zero (00) and all other ticket coupons ending in zero (0). This procedure yields a "two-tiered" stratified sample.

Group tickets are included on the basis of a 10-percent sample when the number of passengers on such a group ticket is 10 or less. Group tickets with more than 10 passengers on each ticket are included on the basis of a 100 percent census, *i.e.*, all such tickets are sampled, regardless of serial number, and the total data listed are conformed to a 10 percent sample for inclusion in the O&D Survey.

Following the selection of reportable flight coupons and the recording of data, each participating carrier shall edit and summarize² the data into a quarterly report to the Department.

II. EFFECTIVE DATE OF INSTRUCTIONS

These data collection and reporting instructions are effective on and after July 1, 1987 and apply to all flight coupons lifted on or after July 1, 1987.

III. CARRIERS PARTICIPATING IN SURVEY

A. *Participating carriers.* As defined in section 19-7 of the Department's Economic Regulations (14 CFR part 241), the participants in the O&D Survey include all large certifi-

cated air carriers conducting scheduled passenger services (except helicopter carriers). These participating carriers collect and report data in accordance with these Instructions, and supplemental *Passenger Origin-Destination Directives* that may be issued periodically. The list of participating carriers will be issued by reporting directive under the authority in 14 CFR 385.27(b).

B. *Amendments to list of participating carriers.* As new carriers begin service, they will be required to file O&D Survey Data. These carriers will not be added to the participating carrier list automatically, but will be added when the next annual review is made.

IV. SUBMISSION OF REPORTS

A. *Period covered by reports.* Reports are to be filed for each calendar quarter of the year as shown below:

Report	Time period covered
1st quarter	Jan. 1 through Mar. 31.
2nd quarter	Apr. 1 through June 30.
3rd quarter	July 1 through Sept. 30.
4th quarter	Oct. 1 through Dec. 31.

B. *Filing date for reports.* Reports are to be filed with the Department on or before the dates listed below. The mailing address is on the inside cover to these instructions.

Report	Due date ¹
1st quarter	May 15
2nd quarter	Aug. 15
3rd quarter	Nov. 15
4th quarter	Feb. 15

¹Due dates falling on Saturday, Sunday or national holiday will become effective the first following work day.

C. *Format of report.* The report may be submitted in any one of the following formats:

(1) ADP media including magnetic tapes and floppy discs.³

(2) Hard copy BTS Form 2787, in type-written form, for carriers that lack computer capability. Sample formats of the required data appear in Sections IX and XII. Supplies of blank Form 2787 are available, upon request, from the Director, Office of Airline Information (address on inside cover). Any reasonable facsimile of Form 2787 will be acceptable in lieu of Form 2787, if approved in advance by the Director.

D. *Number of copies of report to be filed.* A participating carrier shall file with the Department a single copy of its quarterly O&D data report. When ADP submissions are transmitted, the package is to contain a transmittal letter describing the contents, and stating the overall record and passenger

²These summarization procedures include showing two or more passengers with the same itinerary as one O&D record and compressing extremely lengthy itineraries (such as around-the-world tickets) into a standard trip stage length limit (which may be either seven or twenty-three stages, at the carrier's option), as explained in Section V.D.

³Magnetic tapes, floppy discs and similar media will be returned to the carriers, upon request, following completion of the processing cycle by the Department.

counts included in the submission. Each submission is to be labeled externally as to submitting carrier and time period of the O&D Survey data.

E. *Address for filing reports.* Reports should be submitted to the Director, Office of Airline Information (address on inside cover).

V. SELECTION OF SAMPLE AND RECORDING OF DATA.⁴

A. *Sampling Basis.* Each participating carrier in this O&D Survey shall search all listed flight coupons, whether the coupons are its own ticket stock or on the ticket stock of another U.S. or foreign carrier (either standard IATA and ARC ticket stock or non-standard ticket stock), and is to *select for reporting purposes* the following flight coupons:

(1) *Major domestic markets.* All single-passenger flight coupons that are either a single flight coupon ticket or part of a round trip, two coupon ticket where the ticket serial number ends in the digits double-zero (00). NOTE.—The list of major domestic markets will be issued by reporting directive under the authority in 14 CFR 385.27(b).

(2) *International markets and all other domestic markets.* (a) All single-passenger flight coupons with ticket serial numbers ending with the digit zero (0);

(b) Those group-ticket flight coupons with 10 or fewer passengers with ticket serial numbers ending with the digit zero (0);

(c) Those group-ticket flight coupons with 11 or more passengers without regard to serial number; and

(d) Itineraries in major domestic markets that comprise more than two coupons are sampled on a uniform 10 percent basis, by selecting all ticket serial numbers ending with the digit zero (0).

B. *Selection of Reportable Flight Coupons.* The flight coupons identified above are to be examined to isolate the reportable flight coupons, *i.e.* coupons from which data are to be recorded. Flight coupon data are reported only by the first honoring and participating carrier listed on the lifted flight coupon.

⁴Upon approval of the Director, Office of Airline Information, carriers may continue current reporting procedures (up to twenty-three stages of a passenger flight) and may report a uniform 10 percent sample of tickets lifted (each zero ending lifted coupon) without reducing the sample size from 10 percent to 1 percent for domestic major markets. Note that the domestic major markets will be reviewed each year at June 30, based on the prior 12 months O&D data, and the list amended as necessary. The list could remain static for more than a year, although it will be reviewed annually. Necessary amendments will be effective on January 1 of the following year.

Such carriers shall report the required data for the entire ticketed itinerary.

If a participating carrier has preceded the examining carrier on any stage in the trip itinerary, including any stage in a conjunction itinerary and any stage in a reissued ticket (either before or after reissue), that coupon is not reportable.

Intra-Alaska tickets (those for which the entire ticketed itinerary is wholly within the State of Alaska) are now included in the O&D Survey.

Conjunction tickets do not require special treatment and are governed by the above rules for regular tickets. No adjustment is made in the Survey for alterations or changes in trip itinerary subsequent to the stage covered by the reportable coupon.

C. *Optional Use of Other Sampling Procedures.*

(1) Alternative sampling procedures or alternative O&D data systems may be proposed by participating carriers with non-standard ticketing procedures, or other special operating characteristics. Data reported under proposed alternative procedures must approximate the usefulness and statistical validity of the O&D Survey.

(2) Such departures from the prescribed O&D Survey practices shall not be authorized unless approved in writing by the Director, Office of Airline Information (address inside front cover). The proposed alternative O&D Survey procedures must be described in detail in the letter requesting the waiver.

D. *Recording of Data from Reportable Flight Coupons.*

(1) The following items are to be reported from the reportable flight coupons:

- (a) Point of origin,
- (b) Carrier on each flight coupon stage,
- (c) Fare-basis on each flight coupon, F, FD, Y, YD, UK, or Z,
- (d) Points of stopover or connection (interline and intraline),
- (e) Point of destination,
- (f) Number of passengers, and
- (g) Total dollar value of ticket (fare plus tax).

(2) The individual items are to be recorded in the sequence of occurrence in the itinerary as follows:

(a) All entries for *points* (airport codes⁵) in an itinerary are to be recorded in three-letter airport code data to fit into the stage-length limitation (seven or twenty-three stages at the carrier's option), all airport codes are to be reported, including data on commuter, foreign, intra-state and other carriers' portions of itineraries. Normally

⁵Codes to be used are those appearing in the *Official Airline Guide* at the time the data are being recorded. If a code is not found in the OAG, contact the Director, Office of Airline Information (address inside front cover).

codes are recorded as they appear on the ticket. However, if a code is obviously incorrect, *record the correct code*. For instance, if a ticket is coded DCA-NYC or Washington/National to New York when the flight stage actually operated from Washington, Dulles to Newark (EWR), record the correct airport code. When only name spellings of a city appear on the ticket for multi-airport cities (such as Washington, New York, San Francisco, or Los Angeles), record the specific *three letter airport code*. In cases where two

airport codes are shown on the ticket for a point, such as when the passenger arrives at an airport such as San Francisco and departs from another local airport such as Oakland, record the code for the arrival airport, enter a surface segment indicator (—) to the departure airport, and record the departure airport code. (When the surface portion is at the beginning or end of an itinerary, the surface indicator is to be omitted). For example:

000001	UCA	URY	JFK	TWY
Passenger(s),	Utica,	EMPIRE,	New York,	TRANS WORLD,
		& Coach fare,	Kennedy,	& Coach

SFO	--
San Francisco,	Surface segment,

OAK	UAY	LAX	WA	SLC
Oakland,	United,	Los Angeles,	Western,	Salt Lake,
	& Coach,		& Coach	

NW	PHX	WA	LAX	WN
Northwest,	Phoenix,	Western,	Los Angeles,	Southwest

UK	NRT	i500
Unknown Carrier(s),	Tokyo, Dollars of Fare and Tax	
	Narita	

In the above example, the passenger trip stages or segments are compressed into the maximum of 7 stages so that several intermediate city-pairs (Los Angeles to Seattle to Anchorage, or LAX—SEA—Anc) and the related carriers have not been recorded, as prescribed below in this Section V.D.(3)(e). In addition, after the fourth city-pair (Los Angeles-Salt Lake City), the passenger trip itinerary moves from the initial four-part ticket booklet onto another "conjunction" ticket, and the summary fare code data are not recorded beyond the initial four-part ticket.

(b) All entries for *carrier* on a coupon stage of an itinerary are to be recorded in a *two letter* alphabetic code, as in the above example. Note that in the above example, the carrier

has properly inserted the fare code summary together with the carrier code, *i.e.*, UR for Empire and Y for Coach class service. When a two-letter carrier code is shown on the ticket, record that code. However, if a code is obviously incorrect, record the correct code. If a carrier's name is used instead of the code, record the correct code. Code sharing cooperative arrangements between carriers are not considered as "incorrect" carrier codes. The carrier of record on the ticket coupon is to be reported in the O&D Survey. Generally the sampled data are limited to those which can be obtained on the face of the ticket coupon. For example, if NW is the carrier code of record (rather than HP, even though HP actually carries the passenger), the traffic data will be attributed to NW in

the O&D Survey. Except for the infrequent compression of data to fit into the stage-length limitation (seven or twenty-three stages at the carrier's option), all carrier codes are to be recorded, *including data on air taxis, commuters, intra-state and other carrier portions of itineraries*. On tickets involving interchange service or other cooperative carrier arrangements, the juncture point(s) where the passenger moves from one carrier system to another is to be recorded as an intermediate point in the itinerary, even when not shown on the ticket and even though the flight may overfly the juncture point.

(c) Entries for *fare-basis* codes are to be taken from the "fare-basis" and "fare description" portions of the ticket. No attempt shall be made to determine and record fare-basis codes for that portion of a conjunction ticket appearing in the ticket. Fare-basis codes are to be recorded in one-character or two-character alphabetic codes. When a single-character code is shown on a flight coupon, record that code in the left-hand position of the two-position field. When a two-character code is shown on the coupon, record that code with the prime (entitlement) code in the left-hand position and secondary (qualifying) or discount code in the right-hand position.

However, if a code is obviously incorrect, record the correct code. In recording excursion fare-basis codes, disregard any suffixes denoting the number of days or months of validity.

For example, YE-21 is to be recorded as YD, and FE-2M is to be recorded as FD. Where a fare-basis code of more than two alphabetic characters is shown on the ticket, the code is to be *compressed* to a two-character code by recording the prime code in the left-hand position and by substituting the discount code "D" in the right-hand position in place of the remainder of the code combination. For example, YDG would be recorded as YD. All acceptable code combinations after compression to two characters are included in the Passenger Origin-Destination Directives which are issued periodically. Refer to Directive No. 138 which has further information on the summarization of the fare-basis codes into the several categories shown below. The fare-basis codes YMA and YMZ, which designate Military Categories A and Z travel, and other Military fare codes are included—together with thrift, economy and youth fares and other very low fares—in the "Z-Other" summary category below, as provided by Directive No. 138. When special ticket forms other than the standard forms are used which do not show a fare-basis code but from which a fare basis code is evident, such as shuttle tickets, identify and record the appropriate fare-basis code, using the universally accepted codes applicable to interline ticketing. If none is determinable, or if the code is not shown, as

may be the case in "open" tickets, no fare-basis code is to be recorded. Where carriers use individual fare codes that are more than one or two alphabetic characters (such as, for instance, YE 21-45), the carrier will compress the fare descriptions into one of the following six summary fare code categories:

F—First Class (Includes supersonic fare codes).

FD—Discounted First Class.

Y—Coach Class.

YD—Discounted Coach Class (Includes Business Class).

UK—Unknown (This fare category is used when none is shown on a ticket coupon, or when a fare category is not discernable, or when two or more carrier fare codes are compressed into a single stage of a passenger trip).

Z—Other (This fare code is used for Military, Youth, Thrift and other very low fares).

(d) In recording the number of passengers, each single-passenger ticket is to be recorded as one passenger. A half-fare passenger, such as a child, is to be counted as one passenger. A fractional-fare passenger, such as a family plan fare, is also to be counted as one passenger. Tickets for infants under two years of age *not occupying a seat* are not to be counted. A revenue passenger is defined in Section X.

For group tickets of 10 or fewer passengers per ticket record the actual number of passengers on each ticket, *i.e.*, either 2, 3, 4, 5, 6, 7, 8, 9 or 10. For group tickets with 11 or more passengers (those sampled at a 100-percent rate) record the actual number of passengers traveling on each ticket, but keep these entries separate from the group ticket records with 10 or fewer passengers and from the single-passenger ticket records. Group tickets with 11 or more passengers are to be sorted and summarized to combine all passengers for all itineraries which are identical in every respect, *i.e.*, points, carriers, fare basis codes, and average dollar value (as defined in paragraph (e), below). The total number of passengers on each summarized record is to be divided by 10, rounding to the nearest whole passenger. If the quotient ends in 0.5 or more, raise to the next whole passenger. If the quotient ends in less than 0.5, drop the fraction. These large group-ticket records, after division by 10 for compatibility with the other data, are to be merged with the single-passenger records and with the group-ticket entries from tickets of 10 or fewer passengers for the quarterly O&D Survey report.

(e) The total dollar value shall be taken from the "Total" box on each ticket and shall be the sum of the fare plus tax for the entire ticket. Record this amount in whole U.S. dollars, with the cents dropped. Do not round cents to nearest whole dollar.

Amounts on tickets stated in foreign currency are to be converted to U.S. dollar equivalents. For *all group tickets*, the dollar value to be recorded shall be the average amount per passenger, determined by dividing the total dollar value for the entire group by the number of passengers on the group ticket, dropping cents in the average amount.

(3) The *length of the itineraries to be recorded is limited* to a maximum of seven stages or twenty-three stages, at the carrier's option. This recognizes that the vast majority of tickets sampled have seven stages or fewer and that the rare occurrences of extremely lengthy itineraries do not impact the overall Survey results enough to justify their reporting burden. Therefore, trips longer than these limits are *compressed* to fall within the stated maximums. The ticketed origin and destination are retained, but the *intermediate routing is compressed* by applying the following rules, in sequence:

(a) Combine any contiguous open, unknown carrier, or surface stages eliminating the connecting point, and ignoring the fare-basis codes, if different:

(b) Combine any contiguous stages via the same non-U.S. carrier, eliminating the connecting point, and ignoring the fare-basis codes, if different;

(c) Combine any contiguous stages via different non-U.S. carrier, making the carrier "UK", eliminating the connecting point, and ignoring fare-basis codes, if different:

(d) Combine any contiguous stages via the *same U.S. carrier*, eliminating the connecting point, and ignoring the fare-basis codes, if different, and;

(e) If the trip, after applying the four steps above, is still too long, record the compressed routing through to the stage length limitation city (seventh or twenty-third city), enter UK as the final carrier, and then record the ticketed destination as the next (the 8th or 24th) city.

VI. SUMMARIZATION OF RECORDED DATA

A. *General*. Prior to the submission of each quarterly report to the Department, each carrier is to summarize the data in accordance with the rules in Section VI.B. In special hardship cases, carriers may submit a waiver request (with justification under Section 1-2 of 14 CFR part 241) requesting permission to report their flight coupon records exactly as represented on their lifted tickets. Waiver requests must provide the documentation described in Section VI.C. so that the Department can develop the necessary procedures and edit routines to ensure the accuracy and reliability of the overall O&D Survey results. The granting of such waivers will depend upon the availability of resources for the Department to assume this additional burden, which can only be deter-

mined on a case by case basis, after evaluating each carrier's need.

B. *Rules for Summarization*. Sort the recorded entries into sequence by the entire record (excluding the passenger field), *i.e.*, by origin, complete routing (including fare-basis codes), tickets destination, and dollars value of ticket. *All identical records are then to be combined into one summary record*. The number of passengers on the summary record is to be the sum of the passenger amounts of all the individual records combined. Passengers are only summarized where records are identical in all respects except in number of passengers including dollar value of ticket. NOTE: DO NOT SUMMARIZE DOLLARS OVER IDENTICAL RECORDS. This summarization is to include the entries from group tickets, but only after the entries for *group tickets with 11 or more passengers* have been *summarized and divided by 10*, as stated in Section V.D.(2)(d). Carriers submitting quarterly O&D Survey reports on magnetic tapes or similar formats such as "floppy discs" will follow the ADP INSTRUCTIONS in Section IX. Carriers filing reports on hardcopy BTS Forms 2787 are to enter, on the last page of the report, the overall total of the number of passengers in the report.

C. *Waiver Requests*. Requests for permission to depart from the required O&D Survey procedures should include a *procedural statement* describing the process the carrier proposed to employ in *examining, selecting and editing* the data from reportable flight coupons for the O&D Survey, as well as a flow chart diagramming the proposed procedures.

D. *Quantity and Quality Controls*. Carriers are expected to establish and maintain *continuous quantity and quality* controls on the flow of all lifted flight coupons through their system processes to determine the total *number of coupons handled* and the number of reportable *coupons selected*. Such data controls and tests have not been specified by the Department, and necessarily must be developed by each carrier. Each participating carrier shall develop and use on a continuous basis such control tests as are necessary to ensure that all reportable coupons are being selected, recorded and reported as intended by these O&D Survey Instructions. Such controls should extend over all ADP processing, both in-house and that from external service bureaus.

VII. EDITING OF RECORDED DATA

A. *City and Airport Codes*. Prior to submission of O&D Survey reports, each carrier is to edit the recorded data to validate city and airport codes. This edit is to verify that the codes recorded are valid official codes, and it is independent of whether or not the carriers shown actually operated into or out of the airport shown. Any questions about airport codes should be addressed to the Director,

Office of Airline Information (see inside of cover).

B. *Edit Responsibility of Carriers.* Each carrier is responsible for developing edit procedures and internal controls over its data entry and processing procedures so that valid and reliable data are captured in the O&D Survey inputs and are properly summarized in the outputs. Since the carriers have many different statistical systems, it is not practicable for the Department of Transportation to prescribe specific controls in this area, and each carrier is responsible for developing the appropriate internal control procedures to edit the O&D Survey data and ensure the integrity of these data. The Department will control the accuracy of its processing of the sampled data upon receipt from the carriers.

C. *System Documentation of Edits.* Carriers are required to maintain written O&D Survey procedural statements and flow charts. As provided in Section VIII, these must be established, or re-certified as of July 1, 1987, and thereafter when significant procedural revisions occur.

VIII. CONTROL OF SAMPLE SELECTION AND DATA RECORDING

A. *Sample Accuracy and Reliability.* In order to maximize the accuracy and reliability of the sample selection and data recording, each carrier is to:

(1) Develop a written statement describing the procedures it will employ in examining and selecting reportable flight coupons and in recording, summarizing, editing, and testing the Survey data.

(2) Submit any proposed changes in the above procedures to the Department's Office of Airline Information, prior to implementation of such changes.

(3) Establish continuous quantity controls on the flow of all lifted flight coupons through the carrier's accounting processing to determine the total number of coupons handled, and the number of reportable coupons selected. Tests are to be made continuously to assure that all reportable coupons are being selected and the data recorded. Such tests should be completed while the "lifted" flight coupons (representing earned passenger revenues for flight segments operated) remain in the possession of the carrier. Establish such other internal control procedures as are necessary for supervising and monitoring the accuracy of the recording of data from reportable flight coupons.

B. *Staff Review.* The OAI staff will review the carrier procedures and practices and may request modifications or the use of special procedures necessary to improve the sample or to bolster the controls for accuracy and reliability.

IX. ADP INSTRUCTIONS

Each carrier electing to submit its Survey reports in machine listing form or magnetic media in lieu of hardcopy BTS Form 2787 is to be governed by the following instructions:

A. *Instructions for Submitting Records on Magnetic Media*

(1) *Identification record.* This identification record is to include the reporting carrier and the reporting period. It is designed to fall at the beginning of each file when sorted on columns 7 through 200. The record is to be in the format shown as follows:⁶

⁶Each reel of tape will be returned to the individual carrier upon request.

Field	Tape Positions (From - To)	TAPE RECORD LAYOUT
Passengers	1-6	1. Passenger field must contain leading zeros, and not blanks.
1st city	7-9	
1st carrier	10-13	2. City fields contain the three-letter alpha code for the city or airport in the first three positions. The fourth position, provided for all cities except the first and 24th city or the 8th city, where carriers are compressing to 7 stages, is to be blank.
2nd city	14-17	
2nd carrier	18-21	
3rd city	22-25	
3rd carrier	26-29	
4th city	30-33	
4th carrier	34-37	
5th city	38-41	
5th carrier	42-45	
6th city	46-49	
6th carrier	50-53	3. Carrier fields are to contain the two-letter alpha carrier code in the first two positions. Unknown carrier is to be coded "UK" and surface carrier is to be coded "---" (dash dash). The third and fourth positions are to contain the one or two-character alpha fare-basis summary codes. If only a one-character fare is shown, enter the code in the third position, and leave the fourth blank
7th city	54-57	
7th carrier	58-61	
8th city	62-65	
8th carrier	66-69	
9th city	70-73	
9th carrier	74-77	
10th city	78-81	
10th carrier	82-85	
11th city	86-89	
11th carrier	90-93	4. Portion of record for sorting, summarization, and sequencing includes columns 7 through 200.
12th city	94-97	
12th carrier	98-101	5. Dollar amount in positions 197-200 is right justified.
13th city	102-105	
13th carrier	106-109	6. Positions 65-192 are used only by those carriers who want to report more data, and are not compressing to 7 stages (See Section V.D. (3) for compression rules).
14th city	110-113	
14th carrier	114-117	
15th city	118-121	
15th carrier	122-125	
16th city	126-129	
16th carrier	130-133	
17th city	134-137	
17th carrier	138-141	
18th city	142-145	
18th carrier	146-149	
19th city	150-153	
19th carrier	154-157	
20th city	158-161	
20th carrier	162-165	
21st city	166-169	
21st carrier	170-173	
22nd city	174-177	
22nd carrier	178-181	
23rd city	182-185	
23rd carrier	186-189	
24th city	190-192	
Blank	193-196	
9US value of ticket	197-200	

Field	Columns	Remarks
Reporting carrier ...	1-2	Alpha code.
Reporting period: Year	3-4	Tens and units position.
Quarter	5	1, 2, 3, or 4.
Blanks	6-200	

(2) *Detail record.* (a) All records are to be summarized on the complete itinerary⁷ (columns 7 through 200) and the summary record *only* for each itinerary is to be submitted. The tape file, including the identification record, is to be in sequence by complete itinerary.

(b) The tape record layout is shown on the following page.

(3) Magnetic Tape Instructions: (a) All tapes are to be written using the standard IBM extended binary coded decimal interchange code (EBCDIC).

(b) The recording density can be either 6250 or 1600 B.P.I.

(c) All tape will contain standard IBM volume header, and trailer records.

(d) External labels will contain the carrier, name, the report date, file identification, and an address for returning the tapes.

(4) *Transmittal letter.* The tape shall be accompanied by a transmittal letter which shows the number of records reported and the total number of passengers contained in the report.

B. *Editing of Tape Records.* Prior to submission of data, each carrier is requested to edit and correct its data so that its O&D Survey report may be as error-free as is reasonably practicable. The methods to be used in editing are left to the carriers' discretion, but with assistance available upon request from the Department's Office of Airline Information. To aid the carriers in maintaining a current file of editing criteria, OAI will issue updates to the city/airport-carrier file to each carrier. Application of these updates to the file for the immediately preceding quarter will update it to current quarter status. These updates will be transmitted to the carriers by "Passenger Origin-Destination Directive" which will include a copy of a computer listing of the update transactions in the following format:

Field	Columns (From-To)	Field description and instructions
1	1-2	Year and quarter, e.g., 33 = third quarter 1983.
2	3-5	Airport/city alpha code.
3	6-7	Two-letter carrier code.
4	8	Operative: "A" means add the airport/city with the associated carrier code to edit criteria for immediately preceding quarter. "D" means delete the airport/city with the associated carrier code from the edit criteria for the immediately preceding quarter.
5-37	9-74	These 33 fields consist of fields 2, 3, and 4, repeated as a group 11 times.
38	75-80	Reserved

C. *Format of Machine Listing.* The original copy of the machine listing is to be submitted to the Department in the format described below by any carrier not submitting data on magnetic media or hardcopy BTS Form 2787. Note that carriers submitting magnetic media are NOT required to submit a redundant machine listing.

(1) *Titling of listing.* The first page of each listing is to be labeled with the title of the Survey, name of the reporting carrier, and the reporting period of the data. All successive pages are to bear an abbreviated title at the top of the data, as shown in the example below. All pages are to be numbered in sequence. For example, the titling of pages 1

⁷Itinerary includes total dollar value of ticket.

and 2 of a report would appear as follows on the machine listing:

Page 1: Passenger Origin-Destination Survey Report (BTS Form 2787), XYZ Airways, Inc., First Quarter 1987.

Page 2: BTS Form 2787 ZO 1Q87 page 2: In coding the title for page 2 and following pages, indicate the time period by the codes 1Q for the first quarter, 2Q for the second quarter, etc. Indicate the year by the last two digits, *i.e.*, 87 for 1987, 88 for 1988, etc.

(2) *Illustration.* Following is an example of the format of the machine listing. It shows that some carriers report more fare codes than the Department uses, and the Department summarizes these into six basic fare code summary categories.

FORMAT OF MACHINE LISTING—PASSENGER
ORIGIN-DESTINATION SURVEY REPORT

(BTS FORM 2787)

XYZ Airways, Inc.—First Quarter 1987

1	OAK ZOYQ EWR ZOYQ OAK.....	618
1	OAK ZOYQ FRA ZOYQ OAK.....	1047
1	OAK ZOYQ HNL	174
1	OAK ZOYQ HNL	279
1	OAK ZOYQ HNL ZOYC OGD	
	ZAYC LIH ZOYC HNL ZOYD	
	OAK.....	407
	* * * * *	
4	OAK ZOYQ HNL ZOYQ OAK	418
7	OAK ZOYR HNL	338
1	OAK ZOYW HNL ZOYW ZAYD	
	LIH HNL ZOYD OAK	418
1	OAK ZOYX HNL	209
526,700 Overall Total, all Cities		
Number of Records—157,900		

X. GLOSSARY OF TERMS

Selected terms used in the foregoing instructions are here defined and explained in the context of the O&D Survey.

ADP. An abbreviation for automated data processing, which is the term applied to all forms of machine processed data.

Carrier. Any scheduled air carrier, U.S. or foreign, that appears on a coupon stage in a ticketed itinerary, including helicopter, air taxi, commuter, intra-Alaska carriers, and intra-state carriers.

City or origin. (See origin.)

Conjunction ticket. Two or more tickets concurrently issued to a passenger and which together constitute a single contract of carriage.

Connecting point. An intermediate point in an itinerary at which the passenger deplanes from one flight and boards another flight, either on the same carrier or from the flight of one carrier to a flight of another carrier, for continuation of the journey.

Coupon stage. (See flight-coupon stage.)

Destination. The last point in the itinerary and the last point at which the passenger is to deplane at the completion of the journey.

(In roundtrip itineraries, the destination and the origin are the same.)

Dollar value of ticket. (See total dollar value of ticket.)

Domestic. Itineraries within or between the 50 U.S. States and the District of Columbia are considered domestic for this Survey.

Fare basis code. The alphabetic code(s) or combination of alphabetic and numeric codes appearing in the "Fare basis" box on the flight coupon which describe the applicable service and discount to which the passenger is entitled. All fare basis codes are summarized into basic categories; namely, F-first class, FD-discount first class, Y-coach, YD-discount coach, UK-unknown and Z-other.

Fare ladder. The "For-issuing-office-only" box of a ticket.

Flight-coupon stage. The portion of an itinerary which lies between two contiguous points in the itinerary and between which points the passenger is to travel on a single flight.

Group ticket. A single ticket valid for the transportation of two or more passengers over the same itinerary.

Interline transfer. An occurrence at an intermediate point in an itinerary where a passenger changes from one carrier to another carrier, with or without a stopover.

Intermediate point. Any point in an itinerary, other than the origin or destination, at which the passenger makes an interline or intraline connection or stopover.

International. The world area outside the 50 U.S. States and the District of Columbia. Itineraries between points outside the 50 States are considered as international for this Survey, as well as itineraries between the 50 States and U.S. possessions, and between or within U.S. possessions.

Intraline transfer. An occurrence at an intermediate point in an itinerary where a passenger changes from a flight of one carrier to another flight of that same carrier, with or without stopover, or where the passenger changes from one class of service to another class of service on the same flight.

Itinerary. All points in the passenger journey, beginning with the origin, followed by the routing, and ending with the destination, in the sequence shown on the ticket.

Origin. The first point in the itinerary and the point where the passenger first boards a carrier at the beginning of the itinerary.

Participating carrier. A carrier which is governed by the Survey data collection and reporting instructions contained herein and which is required to file Survey reports with the Department of Transportation.

Point. A city or airport (always identified by its airport code).

Reissued ticket. A ticket issued in exchange for all or part of the unused portion of a previously issued ticket.

Reportable flight coupon. A flight coupon in an itinerary in which the carrier examining

the coupon is the first participating carrier to lift a flight coupon in the itinerary and from which coupon the examining carrier records the Survey data.

Reporting carrier. The carrier in a given itinerary which has lifted the reportable flight coupon in that itinerary and which carrier is required to record the Survey data for that itinerary for the report to the Department.

Revenue passenger. A passenger transported for which more than a service charge or nominal remuneration is received by the air carrier. Passengers traveling for a zero fare, because of the frequent flyer or mileage programs are considered revenue passengers, since the revenue considerations for passenger travel were included in their previously purchased tickets.

Routing. The carrier on each flight-coupon stage in an itinerary and the intermediate points of routing stopover or connection

(interline or intraline) in the sequence of occurrence in the movement of the passenger from origin to destination. The routing also includes fare-basis summary codes on each flight-coupon stage, to the extent these are available from the ticket.

Scheduled service. Transport service operated on a certificated large air carrier's routes pursuant to published flight schedules, including extra sections of scheduled flights.

Stage. (See flight-coupon stage.)

Total dollar value of ticket. The sum of the fare plus tax for the entire ticketed itinerary, in whole U.S. dollars with cents dropped. For a group ticket, the amount is the average per passenger. For fares stated in foreign currency, it is the equivalent in U.S. dollars.

Transfer. (See interline transfer and intraline transfer.)

XI . Sample of RSPA Form 2787

[illegible]

RSPA Form 2787

[Amdt. No. 241-55, 52 FR 6529, Mar. 5, 1987]

[Amdt. No. 241-55, 52 FR 6529, Mar. 5, 1987, as amended at 60 FR 66723, 66724, Dec. 26, 1995]

GENERAL REPORTING PROVISIONS—LARGE CERTIFICATED AIR CARRIERS

Section 21—Introduction to System of Reports

(a) Each large certificated air carrier subject to the Federal Aviation Act of 1958, as amended, shall file with the BTS, monthly, quarterly, semiannually, and annually BTS Form 41 Reports of financial and operating statistics as prescribed herein unless waiver has been made by the Civil Aeronautics Board.

(b) The system prescribed provides for the submission by each air carrier of four classes of financial and operating statistics, on individual schedules of the BTS Form 41 Report, grouped as follows:

- A. Certification.
- B. Balance Sheet Elements.
- P. Profit and Loss Elements.
- T. Traffic and Capacity Elements.

(c) The prescribed system of reports provides that the frequency of reporting shall be monthly for some schedules, quarterly for some, semiannually for some and annually for others. It also provides in some areas for the classification of large certificated air carriers into Group I, Group II, and Group III with the form and content differentiated as between groups.

(d) Each schedule of the prescribed BTS Form 41 Report has been assigned a specific code. The prefix alphabetical codes A, B, P and T, respectively, have been employed to denote certification, balance sheet, profit and loss, and traffic and capacity. The digits immediately following the alphabetical prefix designate the particular schedule.

(e) Upon approval by the Director, Office of Airline Information, a carrier may:

(1) Supply its own computer prepared formats provided each schedule conforms with the size and format of the forms prescribed in this part.

(2) Use telefacsimile, or fax, equipment to submit the forms prescribed by this part; however, forms transmitted by fax must conform to an 8½ x 14 inch size. With prior approval, larger forms

may be reduced in size of 8½ x 14 for transmission to the Department.

(f) In submitting each schedule prescribed by this part to the Department, each reporting air carrier shall adhere to the following guidelines:

(1) A good quality black ribbon shall be used in preparing the original copy of each schedule.

(2) In no event shall any information be typed on the reverse side of copies submitted to the Department.

(3) Except as provided for in paragraph (e) of this section, no photocopy or similar process shall be used.

(g) Four separate air carrier entities shall be established for large certificated air carriers conducting scheduled service for the purpose of submitting the prescribed reports. They are as follows: (1) Domestic operations; (2) operations via the Atlantic Ocean; (3) operations via the Pacific Ocean; and (4) operations in Latin American areas. With respect to the first classification, the domestic entity shall embrace all operations within and between the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, and shall also include Canadian transborder operations. The reports to be submitted by each entity shall be comparable to those required of a distinct legal entity whether the reporting entity constitutes such an entity, a semiautonomous physically separated operating division of the carrier, or an entity established for reporting purposes only.

(h) Two separate entities shall be established for large certificated air carriers predominantly engaged in conducting charter activities for the purpose of submitting the prescribed reports: (1) Domestic operations; and (2) international operations. The domestic entity includes all operations within and between the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. All other operations will be in the international entity.

(i) The entities for which separate reports shall be made by the different route and charter air carriers will be set semiannually by the Office of Airline Information.

(j) As a general rule separate reports shall be filed for the air carrier and for each associated company air carriers as defined in section 03 which is an air carrier. However, transactions of associated companies in which 100 percent equity control resides in the reporting air carrier shall be consolidated with transactions of the reporting air carrier when such associated companies perform services related to the transport operations of the reporting air carrier almost exclusively and are not engaged in air transportation for their own account.

(k) Generally, route air carriers' nonscheduled services shall be treated as an integral part of the reporting entity to which most closely related without regard to the geographic area in which such nonscheduled services may actually be performed. However, supplemental reports shall be made of nonscheduled services (including service for the Department of Defense) in areas not encompassed by the prescribed reporting entity in any month in which the available ton-miles of such nonscheduled services exceed 5 percent of the available ton-miles of the reporting entity. Such supplemental reports shall continue until waived by the BTS upon a showing that such nonscheduled operations will not in the subsequent 12-month period exceed the 5-percent limit. The supplemental reports to be filed each month or calendar quarter, as applicable, shall be comprised of report Schedules P-5, T-1, and T-2. Transport and nontransport revenues

pertaining to such separately reported nonscheduled services shall be reported on Schedule P-2 each quarter.

(l) When and as required in the national interest, any air carrier which performs nonscheduled transport services for the Department of Defense shall, when directed by the Department, make separate reports for such services as if they were conducted by a physically separate transport entity, such reports shall consist of Schedules P-1 through P-7, T-1, and T-2. The letter "D" shall be inserted on such reports, following the schedule number of each P and T schedule. When a carrier has more than one reporting entity, nonscheduled transport and nonscheduled Defense services shall be assigned to the reporting entity to which more closely related.

[ER-1027, 42 FR 60128, Nov. 25, 1977, as amended by ER-1073, 43 FR 40453, Sept. 12, 1978; ER-1073, 44 FR 1970, Jan. 9, 1979; ER-1188, 45 FR 48871, July 22, 1980; ER-1297, 47 FR 32919, July 30, 1982; ER-1400, 50 FR 12, Jan. 2, 1985; ER-1401, 50 FR 247, Jan. 3, 1985; Amdt. No. 241-56, 52 FR 9130, Mar. 23, 1987; Amdt. 241-60, 56 FR 12658, Mar. 27, 1991; 60 FR 66724, Dec. 26, 1995]

Section 22—General Reporting Instructions

(a) One copy of each schedule in the BTS Form 41 report shall be filed with the BTS and shall be received on or before the due date indicated for each such schedule in the list titled "Due Dates of Schedules in BTS Form 41 Report."

LIST OF SCHEDULES IN BTS FORM 41 REPORT

[See footnotes at end of table]

Schedule No.	Title	Filing frequency	Applicability by carrier group		
			I	II	III
A	Certification	Q	(1)	X	X
B-1	Balance sheet	Q	(1)	X	X
B-1.1	Balance sheet	SA	(2)	NA	NA
B-7	Airframe and aircraft engine acquisitions and retirements	Q	NA	X	X
B-12	Statement of changes in financial position	Q	(1)	X	X
B-43	Inventory of airframes and aircraft engines	A	X	X	X
P-1.1	Statement of operations	SA	(2)	NA	NA
P-1.2	Statement of operations	Q	(1)	X	X
P-1(a)	Interim operations report	M	X	X	X
P-2	Notes to RSPA Form 41 report	Q	(1)	X	X
P-5.1	Aircraft operating expenses	Q(1), SA(2)	X	NA	NA
P-5.2	Aircraft operating expenses	Q	NA	X	X
P-6	Operating expenses by objective groupings	Q	(1)	X	X
P-7	Operating expenses by functional groupings— Group III air carriers ..	Q	NA	NA	X
P-10	Employment statistics by labor category	A	(1)	X	X

LIST OF SCHEDULES IN BTS FORM 41 REPORT—Continued

[See footnotes at end of table]

Schedule No.	Title	Filing frequency	Applicability by carrier group		
			I	II	III
P–12(a)	Fuel consumption by type of service and entity	M	(1)	X	X
T–100	U.S. air carrier traffic and capacity data by nonstop segment and on-flight market.	M	X	X	X
T–100(f)	Foreign air carrier traffic data by nonstop segment and on-flight market.	M			
	(see 14 CFR 217)				
T–1	U.S. air carrier traffic and capacity summary by service class	M	X	X	X
T–2	U.S. air carrier traffic and capacity by aircraft type	Q	X	X	X
T–3	U.S. air carrier airport activity statistics	Q	X	X	X
T–8	Report of all-cargo operations	A	(3)	(3)	(3)

M=Monthly, Q=Quarterly, SA=Semiannually, A=Annually, NA=Not Applicable, X=All Carriers.

(1) Applicable to Group I Air Carriers with annual operating revenues of \$20 million or more.

(2) Applicable to Group I Air Carriers with annual operating revenues below \$20 million.

(3) Applicable to Air Carriers conducting 49 U.S.C. 41103 all-cargo operations.

DUE DATES OF SCHEDULES IN BTS FORM 41
REPORT

Due dates ¹	Financial data on schedule No.	Traffic and capacity data on schedule No.
January 20	P–12(a)	T–100, T–100(f), T–1, T–2, T–3
January 30	P–1(a)	
February 10 ²	A, B–1, B–7, B–12, P–1.1, P–1.2, P–2, P–5.1, P–5.2, P–6, P–7, P–10.	
February 20	P–12(a)	T–100, T–100(f), T–1
March 1	P–1(a)	
March 20	P–12(a)	
March 30	B–43, P–1(a).	T–100, T–100(f), T–1, T–8
April 20	P–12(a)	T–100, T–100(f), T–1, T–2, T–3
April 30	P–1(a)	
May 10	A, B–1, B–7, B–12, P–1.2, P–2, P–5.1, P–5.2, P–6, P–7.	
May 20	P–12(a)	T–100, T–100(f), T–1
May 30	P–1(a)	
June 20	P–12(a)	
June 30	P–1(a)	T–100, T–100(f), T–1
July 20	P–12(a)	T–100, T–100(f), T–1, T–2, T–3
July 30	P–1(a)	
August 10	A, B–1, B–7, B–12, P–1.1, P–1.2, P–2, P–5.1, P–5.2, P–6, P–7.	
August 20	P–12(a)	T–100, T–100(f), T–1
August 30	P–1(a)	
September 20 ...	P–12(a)	
September 30 ...	P–1(a)	T–100, T–100(f), T–1

DUE DATES OF SCHEDULES IN BTS FORM 41
REPORT—Continued

Due dates ¹	Financial data on schedule No.	Traffic and capacity data on schedule No.
October 20	P–12(a)	T–100, T–100(f), T–1, T–2, T–3
October 30	P–1(a)	
November 10	A, B–1, B–7, B–12, P–1.2, P–2, P–5.1, P–5.2, P–6, P–7.	
November 20	P–12(a)	T–100, T–100(f), T–1
November 30	P–1(a)	
December 20	P–12(a)	
December 30	P–1(a)	T–100, T–100(f), T–1

¹ Due dates falling on a Saturday, Sunday or national holiday will become effective the first following work day.² Reporting due dates on Form 41 Schedules B and P are extended to March 30 if preliminary schedules are filed at the Department by February 10.

(b) Each large certificated air carrier shall file the applicable schedules of the BTS Form 41 Report with the BTS in accordance with the above instructions with the following exceptions:

(1) The time for filing B and P report schedules for the final quarter or semi-annual period of each calendar year may be extended to the following March 30 if the preliminary Schedules B–1 or B–1.1 and P–1.1 or P–1.2 are submitted, as applicable, and are received on or before their respective due dates.

(2) For the third month of any calendar quarter, Schedule P–1(a) need not be filed if Schedule P–1.1 or P–1.2 for the quarter or semiannual period, as applicable, is received on the due date prescribed for Schedule P–1(a).

(3) Income and expense data on Schedule P-1(a) for each month will be withheld by the BTS from public disclosure, until such time as (i) the semi-annual or quarterly financial reports are due, (ii) the semiannual or quarterly financial reports are filed, or (iii) information covered by monthly reports is publicly released by the carrier concerned, whichever occurs first. Before that time, income and expense data reported on Schedule P-1(a) will be disclosed to parties to any proceeding before the DOT to the extent that such data are relevant and material to the issues in the proceeding upon a determination to this effect by the administrative law judge assigned to the case or by the DOT. Any data to which access is granted may be introduced into evidence, subject to the normal rules of admissibility of evidence. The DOT will make other disclosure of these data upon its own motion or upon application of any interested person, when the DOT finds the public interest so requires. The BTS may, from time to time, publish summary information compiled from Schedule P-1(a) in a form which will not identify the individual carrier. At the request of an air carrier, and upon a showing by such air carriers that public disclosure of its preliminary year-end report would adversely affect its interests and would not be in the public interest, the BTS will withhold such preliminary year-end report from public disclosure until such time as (i) the final report is filed, (ii) the final report is due, or (iii) information covered by the preliminary report is publicly released by the carrier concerned, whichever occurs first.

(c) If circumstances prevent the filing of a report on or before the prescribed due date, consideration will be given to the granting of an extension upon receipt of a written request therefor. To provide ample time for consideration and communication to the air carrier of the action taken, such a request must be delivered to the Board in writing at least three (3) days in advance of the due date, setting forth good and sufficient reason to justify the granting of the extension and the date when the report can be filed. Except in cases of emergency, no such request will be entertained which is not

in writing and received by the BTS at least three (3) days before the prescribed due date. If a request is denied, the air carrier remains subject to the filing requirements to the same extent as if no request for extension of time had been made.

(d) [Reserved]

(e) All financial data reported on B, P and G schedules shall reflect the status of the air carrier's books of account for the period for which the report is being made and shall conform to the instructions contained in this Uniform System of Accounts and Reports. At the option of the air carrier, Group III air carriers may round reported financial data to the nearest thousands of dollars by typing "\$000" at the top of each amount column. All Group I and Group II air carriers may, at their option, round reported financial data to the nearest whole dollars by dropping the cents. All rounded amounts must be balanced within and between schedules. This option applies only to the submission of hardcopy reports. Instructions for the submission of data in ADP format are contained in the Accounting and Reporting Directives, which are available from OAI.

(f) Traffic and other operational statistics included in schedules of the BTS Form 41 reports shall reflect data pertaining to the month, quarter or 12-months-to-date period for which the report is being made.

(g) Adjustments correcting errors in previously reported traffic and other operational statistics shall not be included in data reported in schedules for the current period but shall be effected by submission of corrected schedules for the period to which applicable or, if only a few items are involved, by written notice and authorization to the BTS to correct previously filed reports except that any correction which amounts to less than one-half of one percent (0.5%) of the corrected amount for the month to which related may be included in the report for the current month provided the amount of the correction is clearly noted on the Form 41 Report.

(h) All letters and statements of correction or revision of reported data shall be a part of the BTS Form 41 reports.

(i) All changes in accounting methods having a material impact upon the particular financial elements involved, and all changes in methods of computing and reporting traffic and capacity statistics having a material impact upon the particular statistic involved shall be adequately explained and identified in the report first reflecting such changes. Such explanations related to financial position or financial results shall be made on BTS Form 41 Schedule P-2. Changes in methods for computing or reporting traffic and capacity statistics shall be identified and explained on a separate sheet attached to the first report affected. (See sec. 2-16.) The reporting requirements shall not be construed, in any sense, as relieving the air carrier of the responsibility for conforming its procedures to those otherwise prescribed in this system of accounts and reports.

(j) All financial statements released by carriers to the public reflecting a financial position or operating results for dates or reporting periods not covered by reports on file with the Board shall be filed with the Board simultaneously with their public release.

(Approved by the Office of Management and Budget under control number 2138-0013)

[ER-755, 37 FR 19726, Sept. 21, 1972]

EDITORIAL NOTE: For Federal Register citations affecting part 241, section 22, see the List of CFR Sections Affected in the Finding Aids section of this volume.

FINANCIAL REPORTING REQUIREMENTS

Section 23—Certification and Balance Sheet Elements

Schedule A—Certification

(a) The certification of the BTS Form 41 Report shall be signed by an elective corporate officer, executive, or director. Other persons may be authorized by the carrier to sign the certification provided a written authorization disclosing the individual's name and title is forwarded to the Department of Transportation. Since corrections or revisions of reported data are a part of the BTS Form 41 Report, all correspondence relating to such matters

shall be signed only by the person(s) authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in Schedule A thereof, shall read as follows:

I, the undersigned (Title of officer in charge of accounts) _____ of the (Full name of the reporting company) _____ do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

Schedule B-1 Balance Sheet

(a) This schedule shall be filed by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) This schedule shall reflect the balances at the close of business on the last day of each calendar quarter for the overall or system operations of each air carrier in conformance with the provisions of sections 4, 5 and 6.

(c) Individual proprietors or partners shall report the aggregate capital contributed by the proprietor or partners in account 2890 Additional Capital Invested.

Schedule B-1.1—Balance Sheet

(a) This schedule shall be filed semi-annually by Group I air carriers with annual operating revenues below \$20 million.

(b) Each carrier shall insert in the space provided for "OAG Code" its carrier code as contained in the Official Airlines Guide (OAG). If the OAG does not contain a carrier code for the reporting carrier, a code will be provided by the Office of Airline Information upon request. This code will then be inserted in the space provided for "carrier code."

(c) This schedule shall show the account balances at the close of business on June 30 or December 31, as applicable, of each semiannual reporting period.

(d) "Current Assets" shall include all resources that may reasonably be expected to be realized in cash or sold or consumed within one year. This group of assets is classified into three basic accounts:

(1) "Cash and Equivalents" shall include cash on hand and on deposit, U.S. Government securities, and other temporary cash investments.

(2) "Notes and Accounts Receivable-Net" shall include general traffic accounts receivable, government receivables, notes and receivables from associated companies, officers, employees and others, and a deduction for a reasonable allowance for bad debts.

(3) "Other Current Assets" shall contain all other current assets not provided for in the above classifications. This account shall include, but is not limited to, short-term prepayments, expendable spare parts, supplies and other inventories of flight equipment replacement parts that are usually replaced rather than repaired, and materials and supplies held in stock, such as fuel and oil, expendable tools, office supplies and food service supplies. Spare parts may be reduced by an allowance for obsolescence to provide for losses in value.

(e) "Property and Equipment" shall be segregated into that which is owned and that which is leased under capital leases. All property and equipment, with the exception of land, shall be reported net of accumulated depreciation or amortization.

(f) "Other Assets" shall include all assets not included in the above categories, such as long-term investments, long-term prepayments, long-term receivables, deferred charges, intangible assets, equipment purchase deposits, and construction work in progress.

(g) "Current Liabilities" shall include all obligations, the liquidation of which is reasonably expected to require the use of existing resources within one year. This group of liabilities is classified into three basic accounts:

(1) "Notes and Accounts Payable" shall include any payments on long-term debt, short-term notes and accounts payable, and accrued expenses that are payable within one year.

(2) "Accrued Taxes" shall include tax liabilities, such as those imposed on income, property and payroll, which are reasonably expected to be liquidated within one year.

(3) "Other Current Liabilities" shall include all current liabilities which are not provided for elsewhere, such as air traffic liabilities for unused transportation sold (includes sales of transportation on both the reporting carrier and other carriers).

(h) "Long-Term Debt" shall include all obligations which are not reasonably expected to be liquidated within one year. Typical examples include bonds payable, long-term notes payable, lease obligations, and pension obligations.

(i) "Other Liabilities" shall include any debts or obligations which are not properly listed in the "Current Liabilities" or "Long-Term Debt" sections.

(j) "Deferred Credits" shall include all credit balances of a general clearing nature, including credits held in suspense pending receipt of further information necessary for final disposition. Included in this account are deferred income taxes and deferred investment tax credits.

(k) "Stockholder's Equity" shall be reported as follows:

(1) "Capital Stock" shall be segregated as between common and preferred. The number of shares outstanding, along with the par or stated value of the stock, shall be reported. In the case of no-par stock without stated value, the full consideration received shall be reported.

(2) “Other Paid-In Capital” shall include the difference between the price at which the capital stock is sold and the par or stated value of the stock.

(3) “Retained Earnings” shall represent the net income or loss from all operations of the corporate entity less dividends.

(4) “Treasury Stock” shall represent the cost of stock issued by the carrier and reacquired by it but not retired or cancelled.

(l) The statement of certification shall be signed by the carrier's chief accounting officer.

(m) All substantive matters that may materially influence interpretations or conclusions in regard to the financial condition or the earnings position of the air carrier which are not clearly identified in the body of the schedule or which represent information that cannot be expressed adequately in monetary terms shall be completely and clearly stated in a note attached to this schedule and cross-referenced to the affected account or accounts.

Schedule B-7 Airframe and Aircraft Engine Acquisitions and Retirements

(a) This schedule shall be filed by all Group II and Group III air carriers.

(b) Data applicable to acquisitions and data applicable to retirements shall be grouped and reported separately. The data reported within each group (acquisitions; retirements) shall be further subgrouped and reported as follows:

(1) Acquisitions: the indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model; however, leased aircraft engines shall be separately reported under captions entitled: Capital Leases—Aircraft Engines; and Operating Leases—Aircraft Engines. Airframe units leased from others for a period of more than 90 days shall be reported in a separate subsection of this schedule, captioned as follows: Capital Leases—Airframe Units; and Operating Leases—Airframe Units. In addition, a notation shall be made by license num-

ber of airframe units of the air carrier returned after lease to others for a period of more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(2) Retirements: The indicated data shall be reported for the sale or retirement of each airframe, each type of aircraft engine (stating the number of units retired) and, to the extent retired along with airframes and engines, in aggregates by accounts, operating property and equipment included in accounts 1607 and 1608 and nonoperating property and equipment included in accounts 1707 and 1708. Disposition of properties in accounts 1608 and 1708 not related to airframe and aircraft engine retirements shall be reported in a separate group for each account. Airframe units leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule and captioned as follows: Capital Leases—Airframe Units; and Operating Leases—Airframe Units. In addition, a notation shall be made by license number and name of lessee of airframe units leased to others for a period of more than 90 days; moreover, airframe units leased to others under sales-type or direct financing leases shall be separately captioned and reported on this schedule. Airframe units leased under interchange arrangements shall not be so reported. Aircraft engines leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule and captioned as follows: Capital Leases—Aircraft Engines; and Operating Leases—Aircraft Engines. In addition, a notation shall be made by model number, number of units, and name of lessee of aircraft engines leased to others for a period of more than 90 days; moreover, aircraft engines leased to others under sales-type or direct financing leases shall be separately captioned and reported on this schedule. Aircraft engines leased under interchange arrangements shall not be so reported.

(c) All dates shall indicate the day, the month and the year; shall be provided on a unit basis for airframes only, and, shall be reported for each

aircraft engine group by date of transaction.

(d) Column 1, "Year of First Delivery—Airframe," shall reflect, for each reported airframe, the year that the airframe was first delivered by its manufacturer.

(e) Column 2, "Airframe Manufacturer's Serial Number," shall reflect the serial number assigned to each reported airframe by its manufacturer.

(f) Column 4, "Acquisitions or Retirements," shall be used to indicate, for each item entered, whether it represents an acquisition or retirement. This shall be indicated by inserting in Column 4 an "A" for acquisition or an "R" for retirement.

(g) Column 8, "Maximum Seating Capacity," shall reflect the number of passenger seats installed in each airframe acquired. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(h) Column 9, "Cost," shall reflect the book cost of reported airframe and aircraft engine acquisitions and retirements.

(i) Column 10, "Amortization/Depreciated Cost," shall reflect the book cost, less amortization or depreciation expense, for airframes and aircraft engines that have been retired.

(j) Column 11, "Realization," shall reflect the proceeds from the disposition of airframes and aircraft engines, including any insurance proceeds.

(k) Column 12, "Acquired From/Disposition," shall reflect: (1) for acquisitions: the name of the person or organization from which airframes and aircraft engines are acquired and (2) for dispositions (retirements): the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged, if not sold. Items included in accounts 1607, 1608, 1707, and 1708, sold as a part of an airframe or aircraft sales trans-

action, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected.

Schedule B-12—Statement of Cash Flows

(a) This Schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The statement of cash flows shall separately disclose the amount of net cash provided or used during the reporting period from the carrier's operating activities, investing activities and financing activities. The effect on cash and cash equivalents of the total amount of net cash provided or used during the quarter from each of the above activities shall be clearly disclosed so as to reconcile beginning and ending cash and cash equivalents.

(d) Carriers may use either the direct or indirect method of reporting cash flows. Under either method, the reporting of cash flows from investing and financing activities will remain the same. However, the reporting of cash flows from operating activities does differ between the two methods.

(e) For carriers electing to use the direct method, cash flows from operating activities are reported as gross amounts of the principal components of cash receipts and cash payments from operating activities, such as cash received from passengers and shippers, cash paid to suppliers, and cash paid to employees. Each carrier using the direct method shall provide as part of its statement of cash flows, a separate schedule that reconciles net income (as reported on Schedule P-1.2 in Account 9899) to cash flow from operating activities.

(f) For carriers electing to use the indirect method, cash flows from operating activities shall reflect net income (as reported on Schedule P-1.2 in Account 9899) along with the adjustments necessary to reconcile net income (Account 9899) to net cash for the period (Net Cash Provided or Used By Operating Activities).

(g) Regardless of the method used, the statement of cash flows shall reflect the amount of net cash flow provided or used by operating activities during the reporting period.

(h) The balance of "Cash and Cash Equivalents," at the beginning and ending of the quarterly period covered by the report, should equal the sum of Accounts 1010, "Cash," and 1100, "Short-term Investments," as reported on the immediately preceding and current quarterly Schedule B-1, "Balance Sheet." If the sum of these two accounts does not equal the total "Cash and Cash Equivalents" reported on the statement of cash flows, then a footnote explaining the difference shall be provided as part of the statement of cash flows.

Schedule B-43—Inventory of Airframes and Aircraft Engines

(a) This schedule shall be filed by all Group I, Group II and Group III air carriers.

(b) The indicated data shall be reported for each individual airframe, identified by type, model and design of cabin (main deck) as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Type and model refers to aircraft models such as B-707-100, B-707-200, DC-10-40, Beech-18, Piper PA-32, etc. Aircraft type designations are prescribed in Accounting and Reporting Directive No. 178, "List of Aircraft Type Numeric Codes." Copies of this directive and subsequent updates to the list of aircraft type codes are available from the Department's Office of Airline Information. Airframes that are authorized for operation over water under FAA regulation FAR 121 shall be so indicated by asterisk.

(c) Data pertaining to aircraft engines shall be reported on a group basis by type of engine and by type of aircraft to which related.

(d) Data in this schedule shall be grouped and subtotaled as data pertaining to airframes and data pertaining to aircraft engines. Data pertaining to nonoperating airframes and aircraft engines shall be reported in a group below the data for operating equipment. Data pertaining to airframes and aircraft engines obtained under operat-

ing and capital leases shall be reported, by type of lease, in a separately captioned grouping below nonoperating airframes and aircraft engines and subgrouped within those groups according to operating and nonoperating equipment.

(e) Column 1, "Year of First Delivery—Airframe," shall reflect, for each reported airframe, the year that the airframe was first delivered by its manufacturer.

(f) Column 2, "Airframe Manufacturer's Serial Number," shall reflect the serial number assigned to each reported airframe by its manufacturer.

(g) Data pertaining to airframes and aircraft engines obtained under operating leases shall be listed in Columns 1 through 9; the cost of improvements to equipment under operating leases shall be reported in Columns 10 through 12.

(h) Column 9, "Available Capacity (Weight)," shall reflect, for each reported aircraft type, the available capacity (stated in pounds) that is used in computing the available ton-miles reported on Schedules T-100, T-1, and T-2.

(i) Column 10, "Acquired Cost or Capitalized Value," shall include (1) the acquisition cost of owned airframes and aircraft engines; (2) the total capitalized cost of obtaining airframes and engines under capital leases; and (3) the cost of improvements to airframes and engines obtained under operating leases.

(j) Column 11, "Allowance for Depreciation or Amortization," shall include (1) the accumulations of all provisions for losses due to use and obsolescence that are applicable to owned airframes and aircraft engines, (2) the amount of amortization recorded for amortizing the value of airframes and engines obtained under capital leases, and (3) the amount of amortization recorded for amortizing the value of improvements to airframes and aircraft engines obtained under operating leases.

(k) Column 12, "Depreciated Cost or Amortized Value," shall be calculated as either (1) Acquired Cost (Column 10) less the Allowance for Depreciation (Column 11) or (2) Capitalized Value (Column 10) less Amortization (Column 11).

(l) Column 13, "Estimated Residual Value," shall state, in dollars, the residual value assigned to owned and capital-leased airframes and aircraft engines, including any overhaul value not subject to depreciation.

(m) Column 14, "Estimated Depreciable or Amortizable Life (Months)," shall state the estimated depreciable or amortizable life from the date of acquisition of each airframe and each group of aircraft engines.

[ER-755, 37 FR 19726, Sept. 21, 1972]

EDITORIAL NOTE: For Federal Register citations affecting part 241, section 23, see the List of CFR Sections Affected in the Finding Aids section of this volume.

Section 24—Profit and Loss Elements

Schedule P-1.1—Statement of Operations

(a) This schedule shall be filed semi-annually by Group I air carriers with annual operating revenues below \$20 million. Data reported on this schedule shall be for the overall or system operations of the air carrier.

(b) This schedule shall show the results of operations for six-month periods ending June 30 and December 31. Data reported in the "12 Months-to-Date" column shall represent for each individual item the sum of the amount reported in the "Current Period" column and the next previous six-month period.

(c) Each carrier shall insert in the space provided for "OAG Code" its carrier code as contained in the Official Airlines Guide (OAG). If the OAG does not contain a carrier code for the reporting carrier, a code will be provided by the Office of Airline Information upon request. This code will then be placed in the space provided for "carrier code."

(d) "Operating Revenue" shall be put in categories as follows:

(1) "Transport Revenue" shall include the revenue generated by the performance of air transportation services. This category shall be subdivided as follows:

(i) "Scheduled Service" shall include all transport revenue derived from operations between pairs of points which are served on a regularly scheduled

basis. Transport revenue received from scheduled service operations shall be subdivided as follows:

(A) *Passengers*. Revenue generated from the transportation of passengers shall be included in this category.

(B) *Other*. Revenue generated by the transportation of property and mail shall be included in this category.

(ii) "Nonscheduled Service" shall include all transport revenue derived from operations between pairs of points which are not served on a regularly scheduled basis.

(2) "Transport-Related Revenue" shall include monies received for providing air transportation facilities associated with the performance of services which flow from and are incidental to air transportation services performed by the air carrier. This category shall be subdivided as follows:

(i) *Public Service Revenue*. This category shall include amounts of compensation paid to the carrier under 49 U.S.C 41733.

(ii) *Other*. This category shall include other transport-related revenue such as in-flight sales, restaurant and food service (ground), rental of property or equipment, limousine service, interchange sales, and cargo pick-up and delivery charges.

(e) "Operating Expense" shall be segregated as follows:

(1) "Flying Operations" shall include expenses incurred directly in the in-flight operation of aircraft and expenses incurred in the holding of aircraft and aircraft operation personnel in readiness for assignment to an in-flight status.

(2) "Maintenance" shall include all expenses which are specifically identifiable with the repair and upkeep of property and equipment used in the performance of air transportation.

(3) "General and Administrative" shall include that portion of all expenses of a general corporate nature and all other expenses not provided for elsewhere which are related to air transport operations either directly or indirectly.

(4) "Depreciation and Amortization" shall include all depreciation and amortization expenses applicable to property and equipment used in providing

air transportation services. These expenses shall be segregated between those applicable to owned property and equipment and those applicable to property and equipment which is leased.

(5) “Transport-Related Expense” shall include all expenses associated with the transport-related revenues reported on line 5 of this schedule.

(f) “Operating Profit (Loss)” shall be computed by subtracting the total operating expenses from the total operating revenues.

(g) “Nonoperating Income and Expense” shall include all revenues and expenses resulting from commercial ventures which are not inherently related to the performance of air transport services. For example, the revenues and expenses related to operating a hotel or motel would be reported under this category. This category shall also include the total interest expense incurred from all sources and shall be subdivided as follows:

(1) Interest Expense.

(2) Other Nonoperating (Net).

(h) “Income Tax” shall reflect the provisions for accruals of Federal, State, local, and foreign taxes based upon taxable income, and computed at the normal and surtax rates in effect during the current accounting year.

(i) “Discontinued Operations, Extraordinary Items or Accounting Changes” shall reflect any earnings or losses from discontinued operations, the net of the tax amount of extraordinary items, and the cumulative effect of any changes in accounting principles.

(j) Any air carrier that does not file Schedule P-1(a) in accordance with the filing option described in section 22—General Reporting Instructions shall, for the sixth month of any semi-annual period during which the option is exercised, type in the bottom margin of this statement of operations the total number of full-time and part-time employees to be labeled as such and calculated in accordance with paragraph (d) of the reporting instructions for Schedule P-1(a).

Schedule P-1.2—Statement of Operations

(a) This schedule shall be filed quarterly by all Group II and Group III air

carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) Route and charter carriers shall file separate statements of operations for each separate operating entity and for the overall, or system operations.

(c) Data reported on this schedule shall conform with the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

(d) Data reported in the “12 Months-to-Date” column shall represent for each item the sum of amounts reported in the “Quarter” column for the current and next previous three quarters.

(e) Group III air carriers shall subdivide total Transport Revenues-Passenger (Account 3901) between Accounts 3901.1, Passenger-Flight Class and Account 3901.2 Passenger-Coach, only for operations that are reported in the international entity (Atlantic, Pacific and Latin American). First class and coach passenger revenues associated with transport operations reported in the domestic entity shall be reported as a combined total in Account 3901 Transport Revenues-Passenger.

(f) All Group I and Group II air carriers shall report first class and coach passenger revenues as a combined total in Account 3901 Transport Revenues-Passenger, for both domestic and international entity operations. However, U.S. air carriers in any carrier group that elect to do so may continue to report first class and coach revenue data, if they consider such voluntary reporting to be less burdensome than changing their existing financial reporting system.

(g) Any air carrier that does not file Schedule P-1(a) in accordance with the filing option described in section 22—General Reporting Instructions shall, for the third month of any calendar quarter during which the option is exercised, type in the bottom margin of the system statement of operations the total number of full-time and part-time employees to be labeled as such and calculated in accordance with paragraph (d) of the reporting instructions for Schedule P-1(a).

Schedule P-1(a) Interim Income Statement

(a) This schedule shall be filed by all air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) Data reported on this schedule shall reflect the results of operations for the month covered by the report and shall conform to the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

(d) Air carriers shall report on this schedule:

- (1) Total operating revenues,
- (2) Total operating expenses,
- (3) Operating profit or loss,
- (4) Net income,
- (5) Passenger revenues—scheduled service,
- (6) Public service revenues (subsidy) and other information on
- (7) The total number of full-time and
- (8) Part-time employees. Total number of full-time employees and total number of part-time employees shall reflect for the overall or system operations of the air carrier the total number of full-time and part-time employees, respectively, who worked or received pay for any part of the pay period(s) ending nearest the 15th day of the month. For the purposes of this part, "part-time employees" means those employees hired to work less than the number of hours that is customary or standard for their occupational specialty.

(e) In the event of a labor strike, the "number of employees" to be reported on this schedule shall be determined on and actual payroll basis. Actual payroll shall be determined in accordance with paragraph (d) of these reporting instructions. An air carrier that on October 24, 1978, held a certificate issued under 49 U.S.C. 41102 shall also report in a footnote on this schedule the number of full-time employees who were deprived of employment because of a strike (*i.e.*, the number of full-time employees who, but for a strike, would have been included in the number reported in accordance with paragraph (d)(7)).

Schedule P-2—Notes to BTS Form 41 Report

(a) This schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) Route and charter air carriers shall file this schedule for each separate operating entity and for the overall, or system operations of the carrier.

(c) All substantive matters which may influence materially interpretations or conclusions in regard to the financial condition or the earnings position of the air carrier which are not clearly identified in the body of the Form 41 report or which represent information that cannot be expressed adequately in monetary terms shall be completely and clearly stated in this schedule and cross-referenced to the affected account or accounts. The informative disclosure on this schedule for the system operations of the air carrier shall conform, at the end of each carrier's fiscal or calendar year, with the footnotes prepared for audited financial statements.

(d) The amounts and estimated delivery dates of any purchase commitments of material size and not of a recurrent routine character shall be explained on this schedule. In the case of commitments involving flight equipment, the amount for each equipment type may be given in total, including any engines, airframes and spares; but the number of airframes and the number of engines by type shall be given, as well as the estimated delivery date for each complete aircraft. Reports on commitments other than for flight equipment are required only in the December 31 report of each calendar year.

(e) Each scheduled air carrier shall include on this schedule a description of each interruption in air transport operations, the aggregate effect of which is ten (10) percent or more of the scheduled revenue plane-miles which, except for the interruption, would have been operated during the month or either of 2 consecutive months affected. The information to be reported for each such interruption in operations shall consist of:

- (1) For the report period in which partial or complete interruption first

occurs, the nature of the interruption and dates of partial and/or complete cessation of operations, as applicable;

(2) For each report period until full resumption of operations, an estimate of the revenue plane-miles canceled in each month of the quarter because of the interruption; and

(3) For the report period in which scheduled operations are resumed, dates of partial and/or complete resumption, as applicable.

Schedule P-5.1—Aircraft Operating Expenses

(a) This schedule shall be filed by all Group I air carriers. Group I air carriers that have annual operating revenues of \$20 million or more shall file this schedule quarterly and only report direct operating expense data (lines 1 thru 9). Group I air carriers with annual operating revenues below \$20 million shall file this schedule semiannually and report both direct and indirect operating expense data (lines 1 thru 16).

(b) Subject to the provisions of Section 22(a), quarterly reports are due on May 10, August 10, November 10 and February 10 for the first, second, third and fourth calendar quarters, respectively. Semiannual reports are due on August 10 and February 10.

(c) Each carrier shall indicate in the space provided its full corporate name and an "X" shall be inserted in the appropriate box to indicate whether the data being reported are quarterly or six months data. The period-ending data shall be indicated in the space provided.

(d) Route and charter air carriers subject to the quarterly filing requirement shall file this schedule for each operating entity of the air carrier. Air carriers subject to the semiannual filing requirement shall file this schedule for the overall or system operations of the air carrier.

(e) This schedule shall show the direct and indirect expenses incurred in aircraft operations. Direct expense data applicable to each aircraft type operated by the carrier shall be reported in separate columns of this schedule. Each aircraft type reported shall be identified at the head of each column in the space provided. "Aircraft Type" refers to aircraft models

such as B-707-100, B-707-200, DC-10-40, Beech-18, Piper PA-32, etc. Aircraft Type designations are prescribed in the Accounting and Reporting Directives, which is available from the Board's Information Management Division. In the space provided for "Aircraft Code" carriers shall insert the four digit code which is prescribed in the Accounting and Reporting Directives for the reported aircraft type.

(f) Direct aircraft operating expenses shall be reported in the following categories:

(1) Line 2 "Flying Operations (Less Rental)" shall be subdivided as follows:

(i) Line 3 "Pilot and Copilot" expense shall include pilots' and copilots' salaries, and related employee benefits, pensions, payroll taxes and personnel expenses.

(ii) Line 4 "Aircraft Fuel and Oil" expense shall include the cost of fuel and oil used in flight operations and non-refundable aircraft fuel and oil taxes.

(iii) Line 5 "Other" expenses shall include general (hull) insurance, and all other expenses incurred in the in-flight operation of aircraft and holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status that are not provided for otherwise on this schedule.

(2) Line 6 "Total Flying Operations (Less Rentals)" shall equal the sum of lines 3, 4 and 5.

(3) Line 7 "Maintenance-Flight Equipment" shall include the cost of labor, material and related overhead expended by the carrier to maintain flight equipment, general services purchased for flight equipment maintenance from associated or other outside companies, and provisions for flight equipment overhauls.

(4) Line 8 "Depreciation and Rental-Flight Equipment" expense shall include depreciation of flight equipment, amortization of capitalized leases for flight equipment, provision for obsolescence and deterioration of spare parts, and rental expense of flight equipment.

(5) Line 9 "Total Direct Expense" shall equal the sum of lines 6, 7 and 8.

(g) Line 10 Indirect aircraft operating expenses shall be reported only in total for all aircraft types and shall be segregated according to the following categories:

(1) Line 11 "Flight Attendant Expense" shall include flight attendants' salaries, and related employee benefits, pensions, payroll taxes and personnel expenses.

(2) Line 12 "Traffic Related Expense" shall include traffic solicitor salaries, traffic commissions, passenger food expense, traffic liability insurance, advertising and other promotion and publicity expenses, and the fringe benefit expenses related to all salaries in this classification.

(3) Line 13 "Departure Related (Station) Expense" shall include aircraft and traffic handling salaries, landing fees, clearance, customs and duties, related fringe benefit expenses and maintenance and depreciation on ground property and equipment.

(4) Line 14 "Capacity Related Expense" shall include salaries and fringe benefits for general management personnel, recordkeeping and statistical personnel, lawyers, and law clerks, and purchasing personnel; legal fees and expenses; stationery; printing; uncollectable accounts; insurance purchased-general; memberships; corporate and fiscal expenses; and all other expenses which cannot be identified or allocated to some other specifically identified indirect cost category.

(h) Line 15 "Total Indirect Expense" shall equal the sum of lines 11, 12, 13 and 14.

(i) Line 16 "Total Operating Expense" shall equal the sum of lines 9 and 15.

Schedule P-5.2—Aircraft Operating Expenses

(a) This schedule shall be filed by all Group II and Group III air carriers.

(b) Route and charter air carriers shall file this schedule for each operating entity of the air carrier.

(c) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule. "Aircraft Type" refers to aircraft models (such as B-707-100, B-707-300, DC-9-30, etc.) that are prescribed in the *Accounting and Reporting Directives*, which is available from the Office of Airline Information. In the space provided for "Aircraft Code" carriers shall insert the four digit code which is prescribed in the *Accounting and Re-*

porting Directives for the reported aircraft type. For route air carriers, expenses of operating aircraft provided by other carriers under interchange agreements shall be separately reported in total for all such aircraft as if for a distinct aircraft type. Interchange expenses applicable to aircraft of the same type as those owned or operated by the air carrier shall be distributed in summary memo form as item 98.1 and 98.2 to each aircraft type owned or operated by that air carrier. Aircraft types not generally used in revenue service shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(d) Each aircraft type for which a report is being made shall be identified at the head of each column in the space provided. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the BTS, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(e) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting, but shall be used for reporting purposes only.

(f) Item 79.6 "Applied Maintenance Burden" shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 "Maintenance Burden" between maintenance of flight equipment, by aircraft type, and maintenance of ground property and equipment. The allocation of subfunction 5300 (maintenance burden) shall include the net effect of charges and credits to profit and loss account 5272 Flight Equipment Airworthiness Provisions.

(g) Item 73 "Obsolescence and Deterioration—Expendable Parts" shall reflect (for obsolescence and deterioration of flight equipment expendable parts) the gross provisions for losses in

value of expendable parts during the current accounting period offset by any credits applicable to the current period for adjustments for excess inventory levels determined pursuant to section 6-1311.

(h) The total of function 5100 “Flying Operations” reported on this schedule shall agree with corresponding amounts reported on Schedule P-1.2.

Schedule P-6—Operating Expenses by Objective Groupings

(a) This schedule shall be filed quarterly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) Route and charter air carriers shall file this schedule for each separate operating entity.

(c) Line 36 “Total Operating Expenses” shall agree with the corresponding amount reported on Schedule P-1.

Schedule P-7—Operating Expenses by Functional Groupings—Group III Air Carriers

(a) This schedule shall be filed by all Group III air carriers.

(b) Route and charter air carriers shall file this schedule for each operating entity of the air carrier.

(c) Line 38 “Total Operating Expenses” shall agree with the corresponding amount reported on Schedule P-1.2.

Schedule P-10—Employment Statistics by Labor Category

(a) This schedule shall be filed annually by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) Separate sets of this schedule shall be filed for each operating entity of the air carrier. Employees will be allocated to the reporting entities on a basis consistent with that used in the allocation of salaries for Form 41 financial reporting purposes.

(c) Column 3, “Number of Employees,” shall reflect, for each category in column 1, the weighted average number of full-time employees who received pay for any part of the calendar year.

In determining the weighted average, all temporary or part-time employees shall be restated, based on their hours paid, as an equivalent number of full-time employees. The calculation shall be based on a standard full-time 2,080-hour year with overtime hours excluded from the computation.

(d) Labor category description—“Other personnel” shall include all employees whose salary is chargeable to accounts 30, 32, 34 and 35 in this Uniform System of Accounts and Reports.

(e) Labor category description—“Transport-related” shall include all employees whose salary is not chargeable to one of the various salary accounts contained in the Uniform System of Accounts and Reports. For example, this category would include those employees who work in transport-related operations and other activities for which a separate payroll account is not prescribed. The number of employees reported as transport-related shall be calculated in accordance with paragraph (c) of these reporting instructions.

Schedule P-12(a)—Fuel Consumption by Type of Service and Entity

(a) This schedule shall be filed monthly by all Group II and Group III air carriers and Group I air carriers that have annual operating revenues of \$20 million or more.

(b) A single copy (original only) of this schedule shall be filed to report monthly fuel consumption data by type of service and entity.

(c) For the purposes of this schedule, type of service shall be either scheduled service or nonscheduled service as those terms are defined in section 03 of part 241.

(d) For the purpose of this schedule, scheduled service shall be reported separately for: (1) Intra-Alaskan operations; (2) domestic operations, which shall include all operations within and between the 50 States of the United States (except Intra-Alaska), the District of Columbia, the Commonwealth of Puerto Rico and the United States Virgin Islands and Canadian transborder operations; (3) Atlantic operations (excluding Bermuda); (4) Pacific operations which shall include the North/Central Pacific, South Pacific

(including Australia) and the Trust Territories; and (5) Latin American operations which shall include the Caribbean (including Bermuda and the Guianas), Mexico and South/Central America.

(e) For the purpose of this schedule, nonscheduled service shall be reported separately for domestic operations and international operations as defined in paragraph (d) above, except that domestic and international MAC operations shall be reported on separate lines.

(f) The cost data reported on each line shall represent the average cost of fuel, as determined at the station level, consumed in that entity.

(g) The cost of fuel shall include shrinkage but exclude (1) "through-put" and "in to plane" fees, *i.e.*, service charges or gallonage levies assessed by or against the fuel vendor or concessionaire and passed on to the carrier in a separately identifiable form and (2) nonrefundable Federal and State excise taxes. However, "through-put" and "in to plane" charges that cannot be identified or segregated from the cost of fuel shall remain a part of the cost of fuel as reported on this schedule.

(h) Each air carrier shall maintain records for each station showing the computation of fuel inventories and consumption for each fuel type. The periodic average cost method shall be used in computing fuel inventories and consumption. Under this method, an average unit cost for each fuel type shall be computed by dividing the total cost of fuel available (Beginning Inventory plus Purchases) by the total gallons available. The resulting unit cost shall then be used to determine the ending inventory and the total consumption costs to be reported on this schedule.

(i) Where amounts reported for a specific entity include other than Jet A fuel, a footnote shall be added indicating the number of gallons and applicable costs of such other fuel included in amounts reported for that entity.

(j) Where any adjustment(s) recorded on the books of the carrier results in a material distortion of the current month's schedule, carriers shall file a revised schedule P-12(a) for the month(s) affected.

(k) Data reported on this schedule shall be withheld from public release until the quarterly Form 41 P schedules for the calendar quarter to which the monthly schedules relate are due at the BTS. However, aggregate data may be released before that time without identifying individual carriers. Provisions governing the due dates for submitting the quarterly P schedules are contained in paragraphs (a) and (b) of section 22 of this part. Individual carrier fuel data withheld from public disclosure may be disclosed by the BTS to:

(1) Parties to any proceeding before the DOT to the extent such material is relevant and material to the issues in the proceeding upon a determination to this effect by the administrative law judge assigned to the case or by the DOT;

(2) Agencies and other components of the Federal Government for their internal use only; and

(3) Such persons and in such circumstances as the BTS determines to be in the public interest or consistent with its regulatory functions and responsibilities.

(Approved by the Office of Management and Budget under control number 2138-0013)

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by 241-58, 54 FR 5597, Feb. 6, 1989]

EDITORIAL NOTE: For Federal Register citations affecting part 241 section 24, see the List of CFR Sections Affected in the Finding Aids section of this volume.

TRAFFIC REPORTING REQUIREMENTS

Section 25—Traffic and Capacity Elements

General Instructions. (a) All prescribed reporting for traffic and capacity elements shall conform with the data compilation standards set forth in section 19—Uniform Classification of Operating Statistics.

(b) Schedules T-1, T-2, T-3 and T-100 for U.S. air carriers shall be submitted in magnetic computer tape or floppy disc as provided in section 19-1(c) of this part. As prescribed in section 1-02 of this part, air carriers may request a

waiver from the Director, Office of Airline Information, BTS, to allow the submission of hardcopy reports.

Schedule T-1 U.S. Air Carrier Traffic and Capacity Summary-By Service Class

(a) Schedule T-1 collects summary statistics to supplement the detail Schedule T-100 data. This schedule shall be filed monthly by each large certificated U.S. air carrier conducting domestic charter, or domestic cargo operations, or military charters in each applicable entity. Traffic and capacity data are reported on this schedule for the following service classes.

(1) G—Scheduled All-Cargo.

(2) L—Nonscheduled Civilian Passenger/Cargo.

(3) P—Nonscheduled Civilian Cargo.

(4) N—Nonscheduled Military Passenger/Cargo.

(5) R—Nonscheduled Military Cargo.

(b) Separate schedules shall be filed for each operating entity.

(c) Detailed instructions for preparing Schedule T-1 are included in the Appendix to this section.

(d) The reported data shall be compiled as aggregates of the basic data prescribed in section 19, Uniform Classification of Operating Statistics.

(e) The schedule shall include the following items:

Code	Service/class	Elements
.....	.....	Air carrier.
.....	.....	Operating entity.
.....	.....	Report date (month ended).
.....	G,L,N,P,R	Service class code.
.....	N, R	Aircraft type code.
110	L,N	Revenue passengers enplaned.
140	L,N	Revenue passenger-miles (000).
240	G,L,N,P,R	Revenue ton-miles.
241	L,N	Revenue ton-miles passenger.
247	G,L,N,P,R	Revenue ton-miles freight.
249	G,L, P	Revenue ton-miles mail.
280	G,L,N,P,R	Available ton-miles.
320	L,N	Available seat-miles.
410	G,L,N,P,R	Revenue aircraft miles flown.
430	G	Revenue aircraft miles scheduled.
510	G,L,N,P,R	Revenue aircraft departures performed.
610	G,L,N,P,R	Revenue aircraft hours (airborne).
630	G,L,N,P,R	Revenue aircraft hours (ramp-to-ramp).

Schedule T-2 U.S. Air Carrier Traffic and Capacity Statistics-By Aircraft Type

(a) Schedule T-2 collects summary statistics to supplement the detail Schedule T-100 data. This schedule shall be filed for each calendar quarter by each large certificated U.S. air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) Detailed instructions for preparing Schedule T-2 are included in the Appendix to this section.

(d) The reported data shall be compiled as aggregates of the data prescribed in section 19, Uniform Classification of Operating Statistics.

(e) This schedule shall include the following items:

Code	Service class	Elements
.....	.....	Air carrier.
.....	.....	Operating entity.
.....	.....	Report date (quarter ended).
.....	G,Z	Aircraft type code.
.....	G,Z	Service class code.
140	Z	Revenue passenger-miles (000).
240	G,Z	Revenue ton-miles.
247	Z	Revenue ton-miles freight.
249	Z	Revenue ton-miles mail.
280	G,Z	Available ton-miles.
320	Z	Available seat-miles.
410	G,Z	Revenue aircraft miles flown.
510	V,G,Z	Revenue aircraft departures performed.
610	Z	Revenue aircraft hours (airborne).
630	Z	Revenue aircraft hours (ramp-to-ramp).
650	Z	Total aircraft hours airborne.
810	Z	Aircraft days assigned to service—carrier's equipment.
820	Z	Aircraft days assigned to service—carrier's routes.
921	Z	Aircraft fuels issued (gallons).

Schedule T-3 U.S. Air Carrier Airport Activity Statistics

(a) This schedule supplements the detail Schedule T-100 data. Schedule T-3 collects supplementary airport activity statistics as follows: The domestic entity report covers summary statistics on domestic all-cargo operations and both civilian and military charters. The international entity report covers summary information on military charter operations only. Further, only the U.S. airport is identified for international military charter operations, and airports outside the U.S. are summarized as a one-line total, coded

“NON” in lieu of the airport code; these data are collected only on this schedule, not in the detail Schedule T-100.

(b) Separate schedules shall be filed for each air carrier entity, as prescribed under section 19-5(c)(2) of this part.

(c) In addition to the following general information, more detailed instructions for completing schedule T-3 are included in the Appendix to this section.

(d) The data shall be compiled as aggregates of the basic data prescribed in section 19, Uniform Classification of Operating Statistics.

(e) This schedule shall include the following items:

Code	Service class	Elements
.....	.....	Air carrier.
.....	.....	Operating entity.
.....	.....	Report date (quarter ended).
.....	G,V	Aircraft type code.
.....	G,V	Service class code (G or V).
.....	G,V	Airport code.
110	V	Revenue passengers enplaned.
217	G,V	Revenue cargo tons enplaned—freight.
219	G,V	Revenue cargo tons enplaned—mail.
510	G,V	Revenue departures performed, by aircraft type.
520	G	Revenue aircraft departures, scheduled, by aircraft type.

Schedule T-8—Report of all-cargo operations.

(a) This schedule shall be filed annually by all air carriers that conduct all-cargo operations under certificates issued under 49 U.S.C. 41103.

(b) Data reported on this schedule shall include only results of operations conducted in all-cargo aircraft. Data shall be segregated between domestic all-cargo operations conducted within the geographic limitations of section 418 certificates and all other all-cargo operations.

(c) *Statement of operations.* This statement shall include the following elements:

(1) Total operating revenue, categorized as follows:

(i) Transport revenues from the carriage of property in scheduled and non-scheduled service;

(ii) Transport revenues from the carriage of mail in scheduled and non-scheduled service; and

(iii) Transport-related revenues.

(2) Total operating expenses; and

(3) Operating profit or loss, computed by subtracting the total operating expenses from the total operating revenues.

(d) Summary of traffic and capacity statistics. This summary shall include the following elements:

(1) Total revenue ton-miles, which are the aircraft miles flown on each flight stage times the number of tons of revenue traffic carried on that stage. They shall be categorized as follows:

(i) Property; and

(ii) Mail.

(2) Revenue tons enplaned, reflecting the total revenue tons of cargo loaded on aircraft during the annual period;

(3) Available ton-miles, reflecting the total revenue ton-miles available for all-cargo service during the annual period, and computed by multiplying aircraft miles flown on each flight stage by the number of tons of aircraft capacity available for that stage;

(4) Aircraft miles flown, reflecting the total number of aircraft miles flown in cargo service during the annual period;

(5) Aircraft departures performed, reflecting the total number of take-offs performed in cargo service during the annual period; and

(6) Aircraft hours airborne, reflecting the aircraft hours of flight (from take-off to landing) performed in cargo service during the annual period.

Schedule T-100 U.S. Air Carrier Traffic and Capacity Data By Nonstop Segment and On-Flight Market

(a) This Schedule T-100 collects detail on-flight market and nonstop segment data. This schedule shall be filed monthly by each large certificated U.S. air carrier except for a charter air carrier or an all-cargo carrier with only domestic operations. Separate data shall be reported on Schedule T-100 for each operating entity (Latin America, Atlantic, Pacific, International or Domestic) of the air carrier in the five digit entity code prescribed under section 19-5(c)(2) of this part. Domestic scheduled passenger/cargo operations and all international operations of scheduled and nonscheduled passenger/

cargo and all cargo services shall be reported on Schedule T-100, except that international military charters shall not be reported on Schedule T-100.

(b) Guidelines for reporting the automated monthly Schedule T-100 are included in the Appendix to this section.

(c) Reported data shall be compiled as aggregates of the basic data elements and service classes contained in sections 19–4 and 19–5 of this part.

Schedule T-100(f) Foreign Air Carrier Traffic Data by Nonstop Segment and On-Flight Market

(a) This Schedule T-100(f) collects detail on-flight market and nonstop segment data. This schedule shall be filed monthly by each foreign (non-U.S.) air carrier conducting operations to or from the United States with large aircraft pursuant to Section 41302 permits or exemption authority. Reported traffic data shall include all services affecting the United States, as prescribed in this part.

(b) Guidelines for reporting the monthly Schedule T-100(f) are included in the Appendix to §217.10 of this chapter. Copies of these instructions are provided to each foreign air carrier submitting the traffic data. Copies are also available from the Office of Airline Information, K-25, Room 4125, U.S. Department of Transportation, 400 Seventh St., SW., Washington, DC 20590.

(c) The reported data shall be compiled as aggregates of the basic data elements and service classes prescribed in sections 19–4 and 19–5 of this part.

APPENDIX TO SECTION 241.25 OF CFR
PART 241—INSTRUCTIONS TO U.S. AIR
CARRIERS FOR REPORTING TRAFFIC
AND CAPACITY DATA ON FORM 41
SCHEDULES T-100, T-1, T-2, AND T-3

(a) Applicability. Each large U.S. air carrier that holds a 49 U.S.C. 41102 certificate and operates aircraft designed with a maximum capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds must file these schedules. A carrier that conducts all of its operations under 49 U.S.C. 41103 (all-cargo certificates) does not file. Each air carrier will be advised of its reporting requirements by letters of instruction from the Office of Airline Information (OAI).

(b) Schedules, frequency, and entity:

(1) Schedule T-100, Monthly. Schedule T-100 collects summarized flight stage data by reporting entity as follows: International entity reports cover scheduled and non-scheduled passenger/cargo and all cargo services. Domestic entity reports cover passenger/cargo operations in scheduled services only. The term entity refers to the geographic location designator prescribed by the Department in section 19–5(c)(2) of this part, such as, for instance, domestic entity air transport operations as distinguished from international entity air transport operations.

(2) Schedule T-1, Monthly. For the domestic entity, Schedule T-1 collects summary statistics on domestic all-cargo operations, and on both civilian and military charters. For international entities, it collects summary information on military charter operations only.

(3) Schedule T-2, Quarterly. Schedule T-2 collects summary information for all reporting entities. It contains data elements for which there are no corresponding details in T-100 reports. It is submitted for each operating entity prescribed by the Department for each air carrier.

(4) Schedule T-3, Quarterly. For the domestic entity, Schedule T-3 collects summary statistics on all-cargo operations and on both civilian and military charters; and for international entities, it collects summary information on military charter operations only. Further, only the U.S. airport must be identified for international military charter operations, and airports outside the U.S. are summarized as a one-line total, coded "NON" in lieu of the airport code, since international military charters are not reported in the detail international Schedule T-100 data.

(c) Format of reports:

(1) Automatic Data Processing (ADP) magnetic tape. Refer to paragraph (f) below for instructions pertaining to mainframe and minicomputer reporting. The Department will issue "Reporting Directives" to make necessary technical changes to these T-100 instructions, where no policy issues are involved that would require a new rulemaking, or where only a few air carriers are affected.

(2) Microcomputer diskette.

(i) Optional specification. If an air carrier desires to use its personal computers (PC's), rather than mainframe or minicomputers to prepare its data submissions, the following specifications for filing data on diskette media apply:

(ii) Reporting medium. Microcomputer ADP data submission of T-100 information must be on IBM compatible floppy disk, including diskettes, floppy disks, or flexible disks. The particular type of acceptable minidisk is on 5¼ inch, double-sided/double-density, with a capacity of approximately 360,000 characters of data (360K). Carriers

wishing to use a different ADP procedure must obtain written approval to do so from the Director, OAI, under the waiver provisions in section 1-2 of this part. Requests for approval to use alternate methods must disclose the proposed data transmission methodology. Refer to paragraph (k) for microcomputer record layouts.

(iii) Microcomputer file characteristics. The files will be created in ASCII delimited format, sometimes called Data Interchange Format (DIF). This form of recording data provides for variable length fields (data elements) which, in the case of alphabetic data, are enclosed by quotation marks (""') and separated by a comma (,) and numeric data elements that are recorded without editing symbols are also separated by a comma. The data is identified by its juxtaposition within a given record. Therefore, each record must contain the exact number of data elements, all of which must be juxtapositionally correct. Personal computer software including most spreadsheets, data base management programs, and BASIC are capable of producing files in this format.

(d) Filing data for reports. The reports must be received at DOT within 30 days following the end of each reporting period. Refer to §241.22 of this part for more information on date requirements.

(e) Address for filing: Office of Airline Information, K-25, Room 4125, U.S. Department

of Transportation, 400 Seventh St., SW., Washington, DC 20590.

(f) ADP format for magnetic tape:

(1) Magnetic tape specifications. IBM compatible 9-track EBCDIC recording. Recording density of 6250 or 1600 bpi. The order of recorded information is:

Volume label.

Header label.

Data records.

Trailer label.

(g) External tape label information.

Carrier name.

Report date.

File identification.

Carrier address for return of tape reel.

(h) Standards. It is the policy of the Department to be consistent with the American National Standards Institute and the Federal Standards activity in all data processing and telecommunications matters. It is our intention that all specifications in this application are in compliance with standards promulgated by these organizations.

(i) Volume, header, and trailer label formats:

(1) Use standard IBM label formats. The file identifier field of the header labels should be "T-100.SYSTEM".

(j) Magnetic tape record layouts for T-100, T-1, T-2, and T-3.

(1) Nonstop segment record layout:

Field No.	Positions	Mode	Description
1	1	1A	Record type code (S=nonstop segment).
2	2-6	5A/N	Carrier entity code.
3	7-10	4N	Report date (YYMM).
4	11-13	3A	Origin airport code.
5	14-16	3A	Destination airport code.
6	17	1A	Service class code (F,G,L, or P).
7	18-21	4N	Aircraft type code.
8	22-26	5N	Revenue aircraft departures performed (F,G,L,P510).
9	27-36	10N	Available capacity payload (pounds) (F,G,L,P270).
10 ¹	37-43	7N	Available seats—first cabin (F310, F311, L310).
11 ¹	44-50	7N	Available seats—middle cabin (F313).
12 ¹	51-57	7N	Available seats—coach cabin (F312).
13 ¹	58-64	7N	Passengers transported—first cabin (F130, F131, L130).
14 ¹	65-71	7N	Passengers transported—middle cabin (F133).
15 ¹	72-78	7N	Passengers transported—coach cabin (F132).
16	79-88	10N	Revenue freight transported (F,G,L,P237) (in pounds).
17	89-98	10N	Revenue mail transported (F,G,L,P239) (in pounds).
18	99-103	5N	Revenue aircraft departures scheduled (F,G520).
19	104-113	10N	Revenue aircraft ramp hours, ramp-to-ramp (F,G,L,P630) (in minutes).
20	114-123	10N	Revenue aircraft hours, airborne (F,G,L,P610) (in minutes).

¹Cabin data (First, Coach and Middle) are not reported by any carrier group in the domestic entity, where total available seats are reported in 310 and total passengers transported are included in 130; these totals are also used for the international operations of Group I and II carriers; cabin data are reported only for Group III international operations. All carrier groups will report total nonscheduled passengers in the summary data item L130, and nonscheduled available seats in L310.

(2) On-flight market record layout:

Field No.	Positions	Mode	Description
1	1	1A	Record type indicator: M = on-flight market record.
2	2-6	5A	Carrier entity code.
3	7-10	4N	Report data (YYMM).
4	11-13	3A	Origin airport code.
5	14-16	3A	Destination airport code.

¹ Cabin data (First, Coach and Middle) are not reported by any carrier Group in the domestic entity, where total passengers enplaned in a market are included in F110; cabin data are reported only for international operations of Group III air carriers; in international entity operations of Group I and Group II air carriers, total passengers enplaned are included in 110. All carrier groups will include nonscheduled passengers enplaned in L110.

Field No.	Positions	Mode	Description
1	1	1A	Record Type Code: 1 = T-1 data 2 = T-2 data 3 = T-3 data.
2	2-6	5A	Air Carrier Entity Code.
3	7-10	4N	Report Date (YYMM).
4	11-14	4A	Data Element Code (T-1, T-2, and T-3).
5	15-18	4A	Aircraft Type Code (T-1, T-2, and T-3).
6	19-21	3A	Airport Code (T-3).
7	22-31	10N	Data Value—Right justified with leading zeros.

1. Revenue passengers enplaned	L110	N110			
2. Revenue passenger-miles (000)	L140	N140			
3. Revenue ton-miles total	G240	L240	P240	N240	R240
4. Revenue ton-miles passenger	L241	N241			
5. Revenue ton-miles mail	G249	L249	P249		
6. Revenue ton-miles freight	G249	L247	P247	N247	R247
7. Available ton-miles	G280	L280	P280	N280	R280
8. Available seat-miles (000)	L320	N320			
9. Revenue aircraft miles flown	G410	L410	P410	N410	R410
10. Revenue departures performed	G510	L510	P510	N510	R510
11. Revenue aircraft miles scheduled	G430				
12. Revenue aircraft hours airborne	G610	L610	P610	N610	R610
13. Revenue aircraft hours ramp-to-ramp	G630	L30	P630	N630	R630
14. Revenue aircraft miles scheduled	G430				
15. Carrier code					
16. Report date					
17. Operating entity					
18. Aircraft type code (Military charters)					

1. Revenue ton-miles	G240	15. Revenue aircraft hours ramp-to-ramp	Z630
2. Available ton-miles	G280	16. Total aircraft hours (airborne)	Z650
3. Revenue aircraft miles flown	G410	17. Aircraft days assigned to service equipment	Z810
4. Revenue aircraft departures performed	G510	18. Aircraft days assigned to service routes	Z820
5. Revenue aircraft departures performed	V510	19. Aircraft fuels issued	Z921
6. Revenue passenger-miles (000)	Z140	20. Aircraft type code	
7. Available seat-miles (000)	Z320	21. Carrier code	
8. Revenue ton-miles total	Z240	22. Report date	
9. Revenue ton-miles mail	Z249	23. Operating entity	
10. Revenue ton-miles freight	Z247		
11. Available ton-miles	Z280	(6) T-3 Data elements (by origin airport):	
12. Revenue aircraft miles flown	Z410	1. Airport code	V110
13. Revenue aircraft departures performed	Z510	2. Revenue passengers enplaned	V190
14. Revenue aircraft hours airborne	Z610	3. Revenue tons enplaned mail	G219 Z190

1. Airport code .....	.....
2. Revenue passengers enplaned	V110
3. Revenue tons enplaned mail	G219 V219

4. Revenue tons enplaned freight	G217	V217
5. Revenue aircraft departures performed ...	G510	V510
6. Revenue aircraft departures scheduled ...	G520	
7. Aircraft type code		
8. Carrier code		
9. Report date		
10. Operating entity		

(k) Record layouts for microcomputer diskettes. The record layouts for diskette are generally identical to those shown for magnetic tape, with the exception that delimiters (quotation marks and commas) are used to separate fields. It is necessary that the order of fields be maintained in all records.

(l) File characteristics. The files will be created in ASCII delimited format, sometimes called Data Interchange Format (DIF). This form of recording data provides for variable length fields (data elements) which, in the case of alphabetic data, are enclosed by quotation marks (") and separated by a comma (,) and numeric data elements that are recorded without editing symbols are also separated by a comma. The data is identified by its juxtaposition within a given record. Therefore it is critical that each record contain the exact number of data elements, all of which data must be juxtapositionally correct. PC software including most spreadsheets, data base management programs, and BASIC produce minidisks files in this format.

(2) File naming conventions for diskettes. For microcomputer reports, each record type should be contained in a separate DOS file on the same physical diskette. The following DOS naming conventions should be followed:

Record type S = SEGMENT.DAT
Record type M = MARKET.DAT
Record type 1 = T-1.DAT
Record type 2 = T-2.DAT
Record type 3 = T-3.DAT

(l) Discussion of reporting concept.

(1) The detail T-100 data shall be maintained in such a manner as to permit monthly summarization and organization into two basic groupings. First, the nonstop segment information which is to be summarized by equipment type, within class of service, within pair-of-points, without regard to individual flight number. The second grouping requires that the enplanement/deplanement information be broken out into separate units called on-flight market records, which shall be summarized by class of service, within pair-of-points, without regard for equipment type of flight number.

(2) The Schedules T-1 and T-3 information is applicable only to operations that are not required in the detail T-100 report. The Department will derive other necessary summary data directly from the detail T-100. The T-1 and T-3 data pertaining to domestic entities is for scheduled all-cargo service and

charter operations. The T-1 for international entities contains data on military charter operations only.

(3) The Schedule T-2 information is required from each carrier and for each reporting entity. It contains some data elements for which there is no corresponding detail in T-100.

(4) A single tape file shall be submitted containing nonstop segment and on-flight market records for all applicable entities. The summary data pertaining to schedules T-1, T-2, and T-3 should be submitted on a second tape reel. A carrier reporting on diskette should create separate files for each record type, using DOS file naming conventions to identify them.

(5) An air carrier who submits middle cabin data may be confronted by a situation resulting from a change of gauge or other considerations wherein a given leg of a flight may not offer the same classes of service that is available on the remainder of the legs. When preparing on-flight market records applicable to this situation, the carrier should consider passengers transported as though the entire trip was configured as the first segment. The passenger cabin where the passenger is seated at the beginning of the flight determines the classification for the whole trip.

(m) Joint Service.

(1) The Department may authorize joint service operations between two direct air carriers. Examples of these joint service operations are: blocked-space agreements; part-character agreements; code-sharing agreements; wet-lease agreements, and similar arrangements.

(2) Joint service operations shall be reported in Form 41 Schedule T-100 and T-100(f) within the following guidelines:

(i) Blocked space, part-characters and code-sharing arrangements shall be reported by the carrier in operational control of the flight. The traffic moving under those agreements is reported the same as any other traffic on board the aircraft.

(ii) Wet lease agreements shall be reported by the lessee as though the leased aircraft and crew were a part of the lessee's own fleet.

(iii) If there are questions about reporting a joint service operation, contact the Director, Office of Airline Information at the address in paragraph (d) of this Appendix.

(iv) The Department may require information pertaining to joint service operations in addition to that reported by in Schedules T-100 and T-100(f) by U.S. and foreign air carriers. If additional information is needed, *ad hoc* reporting will be used by the Director, Office of Airline Information (OAI), under authority delegated in §§385.27 (b) and (d) of this chapter. *Ad hoc* reporting requirements will be communicated to the applicable carriers by letter.

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(m) Glossary of data elements. Sections 19-5 and 03 of 14 CFR part 241.

(n) Schedules.

FORM 41 SCHEDULE T-100 U. S. AIR CARRIER TRAFFIC AND CAPACITY DATA BY NONSTOP SEGMENT AND ON-FLIGHT MARKET												
A. SERVICE PATTERN					B. NONSTOP SEGMENT INFORMATION							
Line No.	A-3 Airport Code	A-4 Airport Code	A-5 Service Class Code	B-1 Aircraft Type Code	B-2 Revenue Aircraft Depart. Performed	B-3 Avail. Capacity Payload	B-4 *	B-5 Avail. Seats TOTAL/ First	B-6 Avail. Seats Middle Coach	B-7 *	B-8 Revenue Passgr. Transp. Middle	B-9 Revenue Passgr. Transp. Coach
	Origin	Destin.	F	B	L	P	By aircraft type					
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
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17.												
18.												
19.												
20.												

* Note: The multiple cabin (First, Middle and Coach Class) data for Available Seats, Revenue Passengers Transported and Revenue Passengers Enplaned are reported only for the International entity operations of Group III U.S. air carriers. In all other instances, air carriers will report total Available Seats, Revenue Passengers Transported and Revenue Passengers Enplaned.

RSPA Form 41 Schedule T-100

[illegible]

FORM 41 SCHEDULE T-1 TRAFFIC AND CAPACITY SUMMARY BY SERVICE CLASS		Air Carrier Name: _____ Code: _____ Entity Code: _____ Report Date: (Year) _____ (Month) _____				
This schedule is used to report only: 1. Domestic all cargo scheduled service. 2. Domestic civilian charters. 3. International and domestic military charters.		Scheduled	Nonscheduled Civilian		Nonscheduled Military	
		All Cargo Service (G)	Passenger/Cargo (L)	All Cargo (P)	Passenger/Cargo By Aircraft Type (N)	All Cargo By Aircraft Type (R)
TRAFFIC ON REVENUE FLIGHTS					Aircraft Type Code _____	Aircraft Type Code _____
Revenue passengers enplaned	110	XXXXXX		XXXXXX		XXXXXX
Revenue passenger-miles (000)	140	XXXXXX		XXXXXX		XXXXXX
Revenue ton-miles	240					
Passenger	241	XXXXXX		XXXXXX		XXXXXX
Freight	247					
Mail	249				XXXXXX	XXXXXX
AIRCRAFT CAPACITY OPERATED						
Available ton-miles	280					
Available seat-miles	320	XXXXXX		XXXXXX		XXXXXX
Revenue aircraft-miles flown	410					
Revenue aircraft miles scheduled	430		XXXXXX	XXXXXX	XXXXXXX	XXXXXX
Revenue aircraft departures performed	510					
Revenue aircraft hours (airborne)	610					
Revenue aircraft hours (ramp-to-ramp)	630					

RSPA Form 41 Schedule T-1

(3) Form 41 Schedule T-2:

Provides data QUARTERLY to supplement detail T-100.

FORM 41 SCHEDULE T-2		Air Carrier Name: _____ Code: _____			
U.S. AIR CARRIER		Entity Code: _____			
TRAFFIC AND CAPACITY BY AIRCRAFT TYPE		Report date: (Year) _____ (Month) _____			
		Aircraft Type Code:	Aircraft Type Code:	Aircraft Type Code:	Aircraft Type Code:
		_____	_____	_____	_____
SCHEDULED ALL-CARGO SERVICES:					
Revenue ton-miles	6240				
Available ton-miles	6280				
Revenue aircraft miles flown	6410				
Aircraft departures performed	6510				
NONSCHEDULED SERVICES:					
Aircraft departures performed	V510				
ALL SERVICES:					
Revenue passenger-miles (000)	Z140				
Available seat-miles (000)	Z320				
Revenue ton-miles	Z240				
Mail revenue ton-miles	Z249				
Freight revenue ton-miles	Z247				
Available ton-miles	Z280				
Revenue aircraft miles flown	Z410				
Aircraft departures performed	Z510				
Revenue aircraft hours (airborne)	Z610				
Revenue aircraft hours (ramp)	Z630				
Total aircraft hours (airborne)	Z650				
Aircraft days - equipment	Z810				
Aircraft days - routes	Z820				
Aircraft fuels issued	Z921				

RSPA Form 41 Schedule T-2

FORM 41 SCHEDULE T-3 U.S. AIR CARRIER AIRPORT ACTIVITY STATISTICS								Air Carrier Name: _____ Code _____ Report Date: (Year) _____ (Month) _____ (Entity Code)					
Line No.	Airport Code	Revenue Passengers Enplaned	Mail Tons Enplaned	Freight Tons Enpl.	Mail Tons Enpl.	Freight Tons Enpl.	Aircraft Departures Scheduled	Acft. Departures Performed -- G510 -- -- Aircraft Type Code --			Acft. Departures Performed -- V510 -- -- Aircraft Type Code --		
		V110	V219	V217	6219	6217	6520						
1.													
2.													
3.													
4.													
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6.													
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19.													
20.													

RSPA Form 41 Schedule T-3

Exhibit A

US Department of Transportation Research and Special Programs Administration		Air Carrier _____ Operation _____	
STATEMENT OF OPERATIONS			
	Account No.	Quarter Ended _____, 19 __	12 Months Ended _____, 19 __
OPERATING REVENUES			
Passenger-First Class.....	3901.1		
Passenger-Coach.....	3901.2		
Transport Revenues-Passenger.....	3901		
Mail.....	3905		
Property-freight.....	3906.1		
Property-excess passenger baggage.....	3906.2		
Charter-passenger.....	3907.1		
Charter-property.....	3907.2		
Reservation cancellation fees.....	3919.1		
Miscellaneous operating revenues.....	3919.2		
Public service revenues (subsidy).....	4808		
Transport related revenues.....	4898		
Total Operating Revenues.....	4999		
OPERATING EXPENSES			
Flying operations.....	5100		
Maintenance.....	5400		
Passenger Service.....	5500		
Aircraft and traffic servicing.....	6400		
Promotion and sales.....	6700		
General and administrative.....	6800		
Depreciation and amortization.....	6900		
Transport related expenses.....	7100		
Total Operating Expenses.....	7199		
Operating Profit or Loss.....	7999		
NONOPERATING INCOME AND EXPENSE			
Interest on long-term debt and capital leases.....	8181		
Other interest expense.....	8182		
Foreign exchange gains and losses.....	8185		
	8188.5		
Capital gains and losses.....	8188.6		
Other income and expenses-net.....	8189		
Nonoperating income and expense.....	8199		
Income before Income Taxes.....	8999		
INCOME TAXES FOR CURRENT PERIOD			
Income before discontinued operations, extraordinary items and accounting changes.....	9199		
DISCONTINUED OPERATIONS	9600		
EXTRAORDINARY ITEMS	9796		
Income taxes applicable to extraordinary items.....	9797		
ACCOUNTING CHANGES	9800		
Net Income.....	9899		

* Denotes inverse amount; in accounts 8100, 9600, 9700,
and 9800 denoted debit amount.
RSPA Form 41 Schedule P-1.2

* Group I Air Carriers Only
o Group II and Group III Air Carriers Only

(Approved by the Office of Management and Budget under control number 2138-0013)

[ER-755, 37 FR 19726, Sept. 21, 1972]

EDITORIAL NOTE: For Federal Register citations affecting part 241, section 25, see the List of CFR Sections Affected in the Finding Aids section of this volume.

PART 247—DIRECT AIRPORT-TO-AIRPORT MILEAGE RECORDS

AUTHORITY: 49 U.S.C. chapter 401.

SOURCE: Amdt. 247-2, 56 FR 67170, Dec. 30, 1991, unless otherwise noted.

§ 247.1 Official mileage record of the Department of Transportation.

The direct airport-to-airport mileage record now maintained, and as hereafter amended or revised from time to time by the Office of Airline Information of the Bureau of Transportation Statistics of the Department of Transportation in the regular performance of its duties, is hereby adopted as the official mileage record of the Department and the mileages set forth therein shall be used in all instances where it shall be necessary to determine direct airport-to-airport mileages pursuant to the provisions of Titles IV and X of the Federal Aviation Act of 1958, as amended, or any rule, regulation, or order of the Department pursuant thereto.

[Amdt. 247-2, 56 FR 67170, Dec. 30, 1991, as amended at 60 FR 66725, Dec. 26, 1995]

PART 248—SUBMISSION OF AUDIT REPORTS

Sec.

248.1 Applicability.

248.2 Filing of audit reports.

248.4 Time for filing reports.

248.5 Withholding from public disclosure.

AUTHORITY: 49 U.S.C. 329 and chapters 401, 411, 417.

SOURCE: ER-420, 29 FR 13799, Oct. 7, 1964, unless otherwise noted.

§ 248.1 Applicability.

The requirements of this part shall be applicable to all air carriers subject to the requirements of part 241 of this subchapter.

§ 248.2 Filing of audit reports.

(a) Whenever any air carrier subject to § 248.1 shall have caused an annual audit of its books, records, and accounts to be made by independent public accountants, such air carrier shall file with the Office of Airline Information, in duplicate, a special report consisting of a true and complete copy of the audit report submitted by such independent public accountants, including all schedules, exhibits, and certificates included in, attached to, or submitted with or separately as a part of, the audit report.

(b) Each air carrier subject to § 248.1 that does not cause an annual audit to be made of its books, records, and accounts for any fiscal year shall, at the close of such fiscal year file with the Board's Office of the Comptroller, as a part of its periodic reports, a statement that no such audit has been performed.

(Approved by the Office of Management and Budget under control number 2138-0004)

[ER-1351, 48 FR 32756, July 19, 1983, as amended by ER-1362, 48 FR 46265, Oct. 12, 1983; 60 FR 66725, Dec. 26, 1995]

§ 248.4 Time for filing reports.

The report required by this part shall be filed with the Office of Airline Information within 15 days after the due date of the appropriate periodic BTS Form 41 Report, filed for the 12-month period covered by the audit report, or the date the accountant submits its audit report to the air carrier, whichever is later.

[ER-1351, 48 FR 32756, July 19, 1983, as amended at 60 FR 66725, Dec. 26, 1995]

§ 248.5 Withholding from public disclosure.

The special reports required to be filed by § 248.2 shall be withheld from public disclosure, until further order of the BTS, if such treatment is requested by the air carrier at the time of filing.

[ER-420, 29 FR 13799, Oct. 7, 1964, as amended at 60 FR 66725, Dec. 26, 1995]